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

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended December 31, 2021

OR

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

OR

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

for the transition period from _____ to _____

Commission file number: 001-36664

Roan Holdings Group Co., Ltd.

(Exact name of the Registrant as specified in its charter)

British Virgin Islands

(Jurisdiction of incorporation or organization)

147 Ganshui Lane, Yuhuangshannan Fund Town

Shangcheng District

Hangzhou, Zhejiang, China

(Address of principal executive offices)

Zhiyong Tang, Chief Executive Officer

Telephone: +86-571-8662-1775

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(Name, Telephone, E-mail of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Title of each class	Symbol	Name of the principal U.S. market
Ordinary Shares, no par value	RAHGF	OTCMKTS
Warrants	RONWF	OTCMKTS

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 25,287,851 ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☒ US GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of the securities under a plan confirmed by a court.

☐ Yes ☐ No

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CERTAIN INFORMATION

In this Annual Report on Form 20-F, or the “Annual Report”, unless the context indicates otherwise, all references to the terms the “Company,” “we,” “us” and “our” refer to Roan Holdings Group Co., Ltd., giving effect to the Lixin Acquisition (as defined below), and all references to “China” or “PRC” and the “Chinese government” refer to the People’s Republic of China and its government. In this Annual Report, all references to “Renminbi,” or “RMB” are to the legal currency of China and all references to “USD” “U.S. dollars,” “dollars,” “\$” or “US\$” are to the legal currency of the United States.

The Company’s functional currency is USD. The functional currency of its PRC operating subsidiaries is Chinese Yuan, or RMB. For financial reporting purposes, the financial statements of the Company’s PRC operating subsidiaries were prepared using RMB, are translated into the Company’s functional currency, USD at the exchange rates quoted by www.oanda.com. Assets and liabilities are translated using the exchange rate at each balance sheet date. Revenue and expenses are translated using average rates prevailing during each reporting period, and owners’ equity is translated at historical exchange rates. Adjustments resulting from the translation are recorded as a separate component of accumulated other comprehensive income in shareholders’ equity.

The audited financial statements for the years ended December 31, 2021, 2020 and 2019 in this Annual Report have been prepared in accordance with accounting principles generally accepted in the United States, or “U.S. GAAP.”

FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that may be deemed to be “forward-looking statements” within the meaning of the federal securities laws. These statements relate to anticipated future events, future results of operations and/or future financial performance. In some cases, you can identify forward-looking statements by their use of terminology such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “future,” “intend,” “may,” “ought to,” “plan,” “possible,” “potentially,” “predicts,” “project,” “should,” “will,” “would,” negatives of such terms or other similar terms. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements in this Annual Report include, without limitation, statements relating to:

- our goals and strategies;
- our future business development, results of operations and financial condition;
- our estimates regarding expenses, future revenues, capital requirements and our need for additional financing;
- our estimates regarding the market opportunity for our services;
- the impact of government laws and regulations;
- our ability to recruit and retain qualified personnel;
- our failure to comply with regulatory guidelines;
- uncertainty in industry demand;
- general economic conditions and market conditions in the finance industry;
- future sales of large blocks or our securities, which may adversely impact our share price; and
- depth of the trading market in our securities.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties, including those described in Item 3D “Key Information - Risk Factors.”

You should not unduly rely on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Annual Report, to conform these statements to actual results or to changes in our expectations.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

Not required.

B. Advisers

Not required.

C. Auditors

Not required.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required.

ITEM 3. KEY INFORMATION

A. Selected financial data

[RESERVED]

B. Capitalization and Indebtedness

Not required.

C. Reasons for the Offer and Use of Proceeds

Not required.

D. Risk factors

In conducting our business, we face many risks that may interfere with our business objectives. Some of these risks could materially and adversely affect our business, financial condition and results of operations. In particular, we are subject to various risks resulting from changing economic, political, industry, business and financial conditions. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition and results of operations.

You should carefully consider the following factors and other information in this Annual Report before you decide to invest in our ordinary shares. If any of the risks referred to below occur, our business, financial condition and results of operations could suffer. In any such case, the trading price of our ordinary shares could decline, and you may lose all or part of your investment.

Risks Factors Relating to the Company's Business and Operations

The COVID-19 pandemic has had an adverse effect on our business, and public health epidemics such as COVID-19 could adversely impact our future operating results.

The COVID-19 pandemic has negatively impacted the global economy, disrupted business operations of various industries, and created significant volatility and disruption of financial markets. In compliance with the government mandates, our Hangzhou, Shangyu, Guangzhou and Urumqi offices closed and our operations temporarily halted in the spring of 2020. During the closure, employees had only limited access to our facilities and delayed our project timeline, which affected our operating results and financial condition. In December 2021, Shangyu District, Shaoxing City, Zhejiang Province, where the subsidiary company Zhejiang Jingyuxin Financing Guarantee Co., Ltd. is located, was closed and suspended due to the epidemic, resulting in delays in our services to some customers. After the lockdown was lifted on December 31, 2021, operations could resume. COVID-19, including any variants thereof such as the omicron variant, could continue to adversely affect our business and financial results in 2022, including if any virus resurgences cause significant disruptions to our operations or the business of our customers, or our logistics and service providers, or result in any negative impact to the pricing of our products. We cannot predict the severity and duration of the impact from such resurgence, if any.

COVID-19, any variants thereof, or any new pandemics could continue to have an adverse effect on our future business and financial performance. If any new outbreak of COVID-19 is not effectively and timely controlled, or if government responses to outbreaks or potential outbreaks are severe or long-lasting, our business operations and financial condition may be materially and adversely affected as a result of the deteriorating market outlook, the slowdown in regional and national economic growth, weakened liquidity and financial condition of our customers or other factors that we cannot foresee. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, cause uncertainties in the regions where we conduct business, and could materially and adversely impact our business, financial condition and results of operations.

We do not have a history of profitability from continuing operations. We may revert back to a loss mode.

We do not have a history of profitability from our continuing operations. While we earned a profit from continuing operations during 2021 of \$757,301, we had losses from continuing operations of \$854,606 in 2020 and \$2,557,110 in 2019. As we continue to change our focus from microfinancing to industrial operations services, we may revert back to a loss mode, which could lead to a depletion of our cash reserves.

We have had substantial changes in its business models and we cannot guarantee our future results of operations

Since 2019, we have had substantial changes with our organizational structure and business models, including the completion of the Lixin Acquisition in December 2019 as discussed elsewhere in this report and disposition of Feng Hui Ding Xin (Beijing) Financial Consulting Co., Ltd. (“Ding Xin”) and its direct loan business in September 2020 and disposition of China Roan Industrial-Financial Holdings Group Co., Ltd. in September 2021. The Company has transformed its business from a direct loan business, to a financial, insurance, healthcare and industrial operation service related solution provider serving middle-sized and micro enterprises (“MSMEs”) in China.

In addition, we have substantially expanded our health management and other health related services and industrial operation services. As we have limited operating history in the business lines in which we are currently operating, it is difficult to evaluate our prospects, and we may not have sufficient experience in managing the changes and addressing the risks to which companies operating in new and rapidly evolving markets such as the financial guarantee, insurance, and health industries may be exposed. The Company will continue to encounter risks and difficulties that companies at a similar stage of development frequently experience, including the potential failure to:

- obtain sufficient working capital and increase its registered capital to support expansion of its financial guarantee business, asset management, supply chain financing and business factoring;
- comply with any changes in the laws and regulations of the PRC or local province that may affect its operations;
- expand its customer base;
- maintain adequate control of default risks and expenses allowing it to realize anticipated revenue growth;
- implement its customer development, risk management of national growth and acquisition strategies and plans and adapt and modify them as needed;
- integrate any future acquisitions; and
- anticipate and adapt to changing conditions in the Chinese financing industry resulting from changes in government regulations, mergers and acquisitions involving its competitors, and other significant competitive and market dynamics.

If the Company is unable to address any or all of the foregoing risks, its business may be materially and adversely affected.

Our limited operating history makes it difficult to evaluate our business and prospects.

In general we have a limited operating history as many of our operating subsidiaries were formed in 2017 or later.

Hangzhou Zeshi Investment Partnership (Limited Partnership) (“Hangzhou Zeshi”) was formed in November 2018 and commenced financial services. Yifu Health Industry (Ningbo) Co., Ltd. (“Yi Fu”), formerly Ningbo Ding Tai Financial Leasing Co., Ltd., was formed in December 2016 but only commenced its health industry operations in 2020. Zeshi (Hangzhou) Health Management Co., Ltd. (“Zeshi Health”) and Ningbo Zeshi Insurance Technology Co., Ltd. (“Zeshi Insurance”) began their operations in 2020.

The operating subsidiaries under Lixin Cayman also have a limited operating history. While Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd. (“Zhejiang Jingyuxin”) was incorporated in 2013 and Zhejiang Lixin Enterprise Management Holding Group Co., Ltd. (“Zhejiang Lixin”) was incorporated in 2015, Lixin (Hangzhou) Asset Management Co., Ltd. (“LAM”) and Lixin Supply Chain Management (Tianjin) Co., Ltd. (“Lixin Supply Chain”) were incorporated in 2017.

As a result, the results of our operations in prior years may not be indicative of future performance.

We have a customer concentration risk as two of our customers represent almost half of our revenue. The loss of any one of these customers would have a material adverse effect on our revenue and profitability.

Two of our customers represent almost 50% of our revenue. These two customers are able to reduce the amount of their business with us at will or to cease doing business with us entirely at any time. Therefore, our continued revenue from these customers depends on their having continued needs that we are able to service in a manner they find more attractive than utilizing third parties. The loss or material reduction in revenue from either of these customers would have a material adverse effect on our revenue and profitability.

The Company's current operations in China are geographically limited to certain areas.

Our business focuses on Yangtze River Delta region and Pearl River Delta region. The Company's future growth opportunities will depend on the growth and stability of the economy in these areas. A downturn in the economy of these areas or the implementation of provincial or local policies unfavorable to MSMEs may cause a decrease in the demand for the Company's loan guaranty services and other services provided to MSMEs and may negatively affect borrowers' ability to repay their loans on a timely basis, both of which could have a negative impact on the Company's profitability and business. Although it is open to and are trying to develop business in more areas, the Company still needs more time to expand its business geographically.

Regarding its financial guarantee services to MSMEs, the Company is subject to greater credit risks than larger guarantee providers, which could adversely affect its results of operations.

There are inherent risks associated with our financial guarantee activities, including credit risk, which is the risk that our customers may not repay us after we make payments for them according to our contracts. We provide financial guarantee services to MSMEs. These customers generally have fewer financial resources in terms of capital or borrowing capacity than larger entities and may have fewer financial resources to weather a downturn in the economy. Such customers may expose the Company to greater credit risks than guaranty providers guaranteeing for larger, better-capitalized state-owned businesses with longer operating histories. Conditions such as inflation, economic downturn, local policy change, adjustment of industrial structure and other factors beyond our control may increase our credit risk more than such events would affect larger guaranty providers. In addition, since we are still focusing on Yangtze River Delta region and Pearl River Delta region, our ability to geographically diversify the economic risks is currently limited by the local markets and economies. Also, decreases in local real estate value could adversely affect the values of the real property used as collateral in the financial guarantee business. Such adverse changes in the local economies may have a negative impact on the ability of customers to repay their loans and the value of their collateral and in turn our results of operations and financial condition may be adversely affected.

Competition in the financial industry is growing and could cause the Company to lose market share and revenues in the future.

We believe that the financial industry is an emerging market in China. We may face growing competition in the financial industry, and the Company believes that the financial industry is becoming more competitive as this industry matures and begins to consolidate. The Company will compete with other financial companies and some cash-rich state-owned companies or individuals that provide financial services to MSMEs. Some of these competitors have larger and more established customer bases and substantially greater financial, marketing and other resources than we have. As a result, the Company could lose market share and its revenues could decline, thereby adversely affecting our earnings and potential for growth.

The Company's businesses will require highly qualified personnel, and if it is unable to hire or retain qualified personnel, then it may not be able to grow effectively.

The Company's future success depends upon its ability to attract and retain highly qualified personnel. Establishment of Zeshi Insurance and Zeshi Health in the first quarter of 2020 with healthcare business and expansion of the businesses of each operating company will require additional managers and employees with relevant industry experience, and its success will be highly dependent on its ability to attract and retain skilled management personnel and other employees. These operating companies may not be able to attract or retain highly qualified personnel. In addition, competition for skilled personnel is significant in China. This competition may make it more difficult and expensive to attract, hire and retain qualified managers and employees. The Company may incur additional expenses to recruit and retain qualified replacements and its businesses may be disrupted and its financial condition and results of operations may be materially and adversely affected. In addition, key managers may join a competitor or form a competing company. An operating company may not be able to successfully enforce any contractual rights with its management team, in particular in China, where all of these individuals reside or will reside.

The Company's business continuity plans could prove to be inadequate, resulting in a material interruption in or disruption to, its business and a negative impact on the Company's results of operations.

The Company relies on communications and information systems to conduct its business to some extent, and in general its ability to protect its systems against damage from fire, power loss, telecommunication failure, severe weather, natural disasters, terrorism or other factors is important to its operations. The computer systems and network infrastructure the Company uses could be vulnerable to unforeseen problems. While the Company has a business continuity plan and other policies and procedures designed to prevent or limit the effect of a failure or interruption of our information systems, there can be no assurance that any such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions of our information systems could, among other things, damage the Company's reputation or result in a loss of clients, which could have a material adverse effect on the Company's results of operations.

The Company has no material insurance coverage, which could expose it to significant costs and business disruption.

Risks associated with the Company's business and operations include, but are not limited to, clients' failure to repay the outstanding principal and interest after we make the payments for them and loss reserves are not sufficient to cover such failure, losses of key personnel, business interruption due to power loss or network failure, and risks posed by natural disasters including storms, floods and earthquakes, any of which may result in significant costs or business disruption. The Company does not maintain any credit insurance, business interruption insurance, general third-party liability insurance, nor does it maintain key-man life insurance or any other insurance coverage except the mandatory social insurance for employees. If the Company incurs any loss that is not covered by reserves, its business, financial condition and results of operations could be materially and adversely affected.

The Company maintains cash deposits with various banks. These cash accounts are not sufficiently insured or otherwise protected. Should any bank holding these cash deposits become insolvent, or if the Company is otherwise unable to withdraw funds, it could lose the cash on deposit with that particular bank or trust company.

The Company uses credit reports issued by the Credit Reference Center of the People's Bank of China for credit records, which may not cover all accurate credit activities of guarantee customers.

The Company generally uses credit reports issued by the Credit Reference Center of the People's Bank of China ("CCRC") for guarantee customers' credit records. According to the information from CCRC's official website (<http://www.pbccrc.org.cn/crc/>), CCRC is a professional credit information service institution directly under the People's Bank of China ("PBOC") which collects comprehensive credit information about both enterprises and individuals throughout China. The 2,100 credit reports query points of the PBOC's branches have covered almost all rural areas in China, and CCRC has 300,000 information query ports in financial institutions and networks around the country, and the credit information service network is used throughout China. As of the end of April 2015, CCRC's database had collected credit information of over 860 million individuals and over 20 million enterprises and institutions, mainly from commercial banks as well as other financial institutions. However, the CCRC's credit reports do not cover all credit and financing activities with all trust companies, leasing companies, asset management companies, direct lending companies, insurance companies, and other financial companies. Moreover, the PBOC had not established a credit reporting system until 1997 when it established the Bank Credit Registration System which upgraded to the CCRC in 2006. Therefore, CCRC's credit reports may not be able to cover credit and financing activities that occurred before 1997. In addition, the accuracy of credit reports provided by CCRC may be mainly adversely affected by the followings: (1) reliability of information source; (2) victimized by criminals forging identity of the customers; (3) mistakes made by data entry operators; and (4) technical stability of CCRC's computer system. Furthermore, despite using credit reports issued by the CCRC, privately-owned guarantors may be more susceptible to default than state-owned or public guarantors due to financial difficulties or fraud and therefore, the Company may have more difficulty enforcing guarantees from privately-owned guarantors than from state-owned or public guarantors. Finally, having clean credit history in the past does not preclude a guarantee customer from defaulting in the future.

The business overlap of our subsidiaries could result in inefficiencies to the Company's business.

We completed the Lixin Acquisition in December 2019. Most of our subsidiaries are in the financial industry and may conduct the same business. On one hand they may share resources and expand their own businesses. On the other hand, they may target the same clients and compete with each other. This could reduce the efficiency of the Company as a whole. For example, Hangzhou Zeshi has commenced operations of asset management from 2019. Lixin (Hangzhou) Asset Management Co., Ltd. ("LAM") started its asset management business in 2017. They both focus on Zhejiang province. Hangzhou Zeshi is staffed entirely by new hires and in some measure may compete with LAM for customers. As a result, Hangzhou Zeshi may initially struggle to establish its business after the Lixin Acquisition and some of its success it has may come at the expense of LAM. Furthermore, because of PRC limitations, even though the economic benefit of Hangzhou Zeshi and LAM will inure to us, each will need to have its own segregated capital and client base. As a result, Hangzhou Zeshi and LAM will not be able to cross-collateralize or combine operations at the working level. Although the Company plans to allocate the resources from a strategic level, this structure may not allow the Company to allocate resources to their most efficient use and may require redundant or additional expenses.

Risks Related to Doing Business in China

The failure to comply with PRC regulations relating to mergers and acquisitions of domestic enterprises by offshore special purpose vehicles may subject the Company to severe fines or penalties and create other regulatory uncertainties regarding the Company's corporate structure.

On August 8, 2006, the Ministry of Commerce ("MOFCOM"), joined by the China Securities Regulatory Commission ("CSRC"), the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation ("SAT"), the State Administration for Industry and Commerce (the "SAIC"), and the State Administration of Foreign Exchange ("SAFE"), jointly promulgated regulations entitled the Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "M&A Rules"), which took effect as of September 8, 2006, and as amended on June 22, 2009. This regulation, among other things, has certain provisions that require offshore companies formed for the purpose of acquiring PRC domestic companies and controlled directly or indirectly by PRC individuals and companies which are the related parties with the PRC domestic companies, to obtain the approval of MOFCOM prior to engaging in such acquisitions and to obtain the approval of the CSRC prior to publicly listing special purpose vehicles' securities on an overseas stock market. On September 21, 2006, the CSRC published on its official website a notice specifying the documents and materials that are required to be submitted for obtaining CSRC approval.

The application of the M&A Rules with respect to the Company's corporate structure remains unclear, with no current consensus existing among leading PRC law firms regarding the scope and applicability of the M&A Rules. We believe that the MOFCOM and CSRC approvals under the M&A Rules were not required in the context of the Business Combination and the Lixin Acquisition because we did not acquire Feng Hui's equity or assets and Xinjiang Fenghui Jing Kai Direct Lending Co., Ltd. ("Jing Kai") and Ding Xin and Lixin Group were already foreign owned. However, we cannot be certain that the relevant PRC government agencies, including the CSRC and MOFCOM, would reach the same conclusion, and we cannot be certain that MOFCOM or the CSRC will not deem that the Business Combination or the Lixin Acquisition circumvented the M&A Rules, and other rules and notices, or that prior MOFCOM or CSRC approval was required for overseas financing.

If prior CSRC approval for overseas financings is required and not obtained, the Company may face severe regulatory actions or other sanctions from MOFCOM, the CSRC or other PRC regulatory agencies. In such event, these regulatory agencies may impose fines or other penalties on the Company's operations in the PRC, limit the Company's operating privileges in the PRC, delay or restrict the repatriation of the proceeds from overseas financings into the PRC, restrict or prohibit payment or remittance of dividends to us or take other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ordinary shares. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to delay or cancel overseas financings, to restructure the Company's corporate structure, or to seek regulatory approvals that may be difficult or costly to obtain.

The M&A Rules, along with certain foreign exchange regulations discussed below, will be interpreted or implemented by the relevant government authorities in connection with our future offshore financings or acquisitions, and we cannot predict how they will affect our acquisition strategy.

PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries or limit our PRC subsidiaries' ability to increase their registered capital or distribute profits.

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, on July 4, 2014, which replaced the former circular commonly known as "SAFE Circular 75" promulgated by SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC resident holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

SAFE promulgated the Notice of SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment, or SAFE Circular 13, on February 13, 2015, which was effective on June 1, 2015. SAFE Circular 13 cancels two administrative approval items which are foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and SAFE and its branch shall indirectly regulate the foreign exchange registration of direct investment through banks.

We have notified substantial beneficial owners of ordinary shares who we know are PRC residents of their filing obligations in accordance with SAFE Circular 37 and SAFE Circular 13. However, we may not be aware of the identities of all of our beneficial owners who are PRC residents. We do not have control over our beneficial owners and cannot assure you that all of our PRC-resident beneficial owners will comply with SAFE Circular 37, SAFE Circular 13 and subsequent implementation rules. The failure of our beneficial owners who are PRC residents to register or amend their SAFE registrations in a timely manner pursuant to SAFE Circular 37, SAFE Circular 13 and subsequent implementation rules, or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37, SAFE Circular 13 and subsequent implementation rules, may subject such beneficial owners or our PRC subsidiaries to fines and legal sanctions. Furthermore, since SAFE Circular 37 and SAFE Circular 13 was recently promulgated and it is unclear how this regulation, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant PRC government authorities, we cannot predict how these regulations will affect our business operations or future strategy. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to our company. These risks may have a material adverse effect on our business, financial condition and results of operations.

If any of our subsidiaries fails to maintain the requisite registered capital, licenses and approvals required under PRC law, our business, financial condition and results of operations may be materially and adversely affected.

Numerous regulatory authorities of the central PRC government, provincial and local authorities are empowered to issue and implement regulations governing various aspects of the financial industry. Each of our subsidiaries may be required to obtain and maintain certain assets relevant to its business as well as applicable licenses or approvals from different regulatory authorities in order to provide its current services. These registered capitals, licenses and approvals will be essential to the operation of the Company's business. If any of our subsidiaries fails to obtain or maintain any of the required registered capital, licenses or approvals for its business, it may be subject to various penalties, such as confiscation of illegal net revenue, fines and the discontinuation or restriction of its operations. Any such disruption in its business operations could materially and adversely affect our business, financial condition and results of operations.

PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries and thereby prevent us from funding our business.

As an offshore holding company with PRC subsidiaries, we may transfer funds to our PRC subsidiaries by means of loans or capital contributions. Any loans to these PRC subsidiaries, which are foreign-invested enterprises, cannot exceed statutory limits based on the difference between the amount of our investments and registered capital in such subsidiaries, and shall be registered with SAFE, or its local counterparts. Furthermore, any capital increase contributions we make to our PRC subsidiaries, which are foreign-invested enterprises, shall be approved by MOFCOM, or its local counterparts. We may not be able to obtain these government registrations or approvals on a timely basis, if at all. If we fail to receive such registrations or approvals, our ability to provide loans or capital to increase contributions to our PRC subsidiaries may be negatively affected, which could adversely affect their liquidity and our ability to fund and expand their business.

A slowdown of the Chinese economy or adverse changes in economic and political policies of the PRC government could negatively impact China's overall economic growth, which could materially adversely affect our business.

All of the Company's operations are entirely conducted in the PRC. Although the PRC economy has grown in recent years, the pace of growth has slowed, and even that rate of growth may not continue. The annual rate of growth in the PRC declined from 7.3% in 2014 to 6.9% in 2015 to 6.7% in 2016, to 6.9% in 2017, to 6.6% in 2018, to 6.1% in 2019. Due to the COVID-19 pandemic, China's economic growth rate in 2020 has slowed to 2.3%, its lowest since 1990. In the first quarter of fiscal year 2021, we witnessed a recovery in China's overall economy, benefiting from the COVID-19 pandemic control measures and the resumption of production and business. However, the recent outbreak of the pandemic in many areas of China has caused, and may continue to cause, the authorities to implement numerous measures to try to contain the disease and slow its spread. These include travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. These measures have created significant uncertainty and economic disruption, both short-term and potentially long-term. Furthermore, the global spread of COVID-19 pandemic in a significant number of countries around the world has resulted in, and may intensify, global economic distress. A slowdown in overall economic growth, an economic downturn or recession or other adverse economic developments in the PRC may materially reduce the demand for the Company's services and may have a materially adverse effect on its business.

China's economy differs from the economies of most other countries in many respects, including the amount of government involvement in the economy, the general level of economic development, growth rates and government control of foreign exchange and the allocation of resources. While the PRC economy has grown significantly over the past few decades, this growth has remained uneven across different periods, regions and economic sectors.

The PRC government also exercises significant control over China's economic growth by allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any actions and policies adopted by the PRC government could negatively impact the Chinese economy or the economy of the region the Company serves, which could materially adversely affect the Company's business.

Substantial uncertainties and restrictions with respect to the political and economic policies of the PRC government and PRC laws and regulations could have a significant impact upon the business the Company may be able to conduct in the PRC and accordingly on the results of its operations and financial condition.

The Company's business operations may be adversely affected by the current and future political environment in the PRC. The Chinese government exerts substantial influence and control over the manner in which the Company must conduct its business activities. The Company's ability to operate in China may be adversely affected by changes in Chinese laws and regulations. Under the current government leadership, the government of the PRC has been pursuing economic reform policies that encourage private economic activities and greater economic decentralization. However, the government of the PRC may not continue to pursue these policies, or may significantly alter these policies from time to time without notice.

There are certain uncertainties regarding the interpretation and application of PRC laws and regulations, including, but not limited to, the laws and regulations governing the Company's business, or the enforcement and performance of the Company's arrangements with clients. Only after 1979 did the Chinese government begin to promulgate a comprehensive system of laws that regulate economic affairs in general, deal with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, as well as encourage foreign investment in China. Although the influence of the law has been increasing, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. Also, because these laws and regulations are relatively new, and because of the limited volume of published cases and their lack of force as precedents, interpretation and enforcement of these laws and regulations involve significant uncertainties. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. In addition, there have been constant changes and amendments of laws and regulations over the past 30 years in order to keep up with the rapidly changing society and economy in China. Because government agencies and courts provide interpretations of laws and regulations and decide contractual disputes and issues, their inexperience in adjudicating new business and new policies or regulations in certain less developed areas causes uncertainty and may affect the Company's business. Consequently, we cannot predict the future direction of Chinese legislative activities with respect to either businesses with foreign investment or the effectiveness on enforcement of laws and regulations in China. The uncertainties, including new laws and regulations and changes of existing laws, as well as judicial interpretation by inexperienced officials in the agencies and courts in certain areas, may cause possible problems to foreign investors.

The Company's business is subject to extensive regulation and supervision by state, provincial and local government authorities, which may interfere with the way the Company conducts its business and may negatively impact its financial results.

The Company conducts its business in the financial industry which is highly regulated. It is subject to extensive and complex state, provincial and local laws, rules and regulations with regard to its financing guaranties, capital structure, and asset management, among other things. These laws, rules and regulations are issued by different central government ministries and departments, provincial and local governments and are enforced by different local authorities. Therefore, the interpretation and implementation of such laws, rules and regulations may not be clear and occasionally the Company has to depend on oral inquiries with local government authorities. As a result of the complexity, uncertainties and constant changes in these laws, rules and regulation, including changes in interpretation and implementation of such, the Company's business activities and growth may be adversely affected if they do not respond to the changes in a timely manner or are found to be in violation of the applicable laws, regulations and policies as a result of a different position from theirs taken by the competent authority in the interpretation of such applicable laws, regulations and policies. If the Company is found to be not in compliance with these laws and regulations, they may be subject to sanctions by regulatory authorities, monetary penalties and/or reputation damage, which could have a material adverse effect on the Company's business operations and profitability.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions against us or our management, in China, based upon United States laws, including the U.S. federal securities laws, or other foreign laws.

We are a company organized under the laws of the British Virgin Islands. Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. None of our subsidiaries is organized under the laws of the United States. All of our directors and officers reside in China, and substantially all of the assets of those persons are located outside of the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce judgments against us which are obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

Furthermore, the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States providing for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors or officers if they decide that the judgment violates the basic principles of PRC laws, national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States.

Lastly, in the event shareholders originate an action against a company without domicile in China for disputes related to contracts or other property interests, the PRC courts may accept a cause of action if (a) the disputed contract is concluded or performed in the PRC or the disputed subject matter is located in the PRC, (b) the company (as defendant) has properties that can be seized within the PRC, (c) the company has a representative organization within the PRC, or (d) the parties chose to submit to the jurisdiction of the PRC courts in the contract on the condition that such submission does not violate the requirements of jurisdiction under the PRC Civil Procedures Law. The action may be initiated by the shareholder by filing a complaint with the PRC courts. The PRC courts would determine whether to accept the complaint in accordance with the PRC Civil Procedures Law. The shareholder may participate in the action by itself or entrust any other person or PRC legal counsel to participate on behalf of such shareholder. Foreign citizens and companies will have the same rights as PRC citizens and companies in such an action unless such foreign country restricts the rights of PRC citizens and companies.

Our Chinese subsidiaries' ability to pay dividends to us may be restricted due to foreign exchange control and other regulations of China.

As an offshore holding company, we will rely principally on dividends from our subsidiaries in China, for our cash requirements. Under the applicable PRC laws and regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, a foreign-invested enterprise in China is required to set aside a portion of its after-tax profit to fund specific reserve funds prior to payment of dividends. In particular, at least 10% of its after-tax profits based on PRC accounting standards each year is required to be set aside towards its general reserves until the accumulative amount of such reserves reach 50% of its registered capital. These reserves are not distributable as cash dividends.

Furthermore, our Chinese subsidiaries' ability to pay dividends may be restricted due to foreign exchange control policies and the availability of its cash balance. Substantially all of the Company's operations are conducted in China and all of the revenue we recognize will be denominated in RMB. RMB is subject to exchange control regulation in China, and, as a result, our Chinese subsidiaries may be unable to distribute any dividends outside of China due to PRC exchange control regulations that restrict our ability to convert RMB into U.S. dollars.

The lack of dividends or other payments from our Chinese subsidiaries may limit our ability to make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund, and conduct our business. Our funds may not be readily available to us to satisfy obligations which have been incurred outside the PRC, which could adversely affect our business and prospects or our ability to meet our cash obligations. Accordingly, if we do not receive dividends from our Chinese subsidiaries, our liquidity and financial condition will be materially and adversely affected.

Dividends payable to our foreign investors and gains on the sale of our ordinary shares by our foreign investors may become subject to tax by the PRC.

Under the Enterprise Income Tax Law and its implementation regulations issued by the State Council of the PRC, a 10% PRC withholding tax is applicable to dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Similarly, any gain realized on the transfer of shares by such investors is also subject to PRC tax at a current rate of 10%, subject to any reduction or exemption set forth in relevant tax treaties, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our shares, and any gain realized from the transfer of our shares, would be treated as income derived from sources within the PRC and would as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to individual investors who are non-PRC residents and any gain realized on the transfer shares by such investors may be subject to PRC tax at a current rate of 20%, subject to any reduction or exemption set forth in applicable tax treaties. It is unclear whether we or any of our subsidiaries established outside of China are considered a PRC resident enterprise, holders of shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas. If dividends payable to our non-PRC investors or gains from the transfer of our shares by such investors are subject to PRC tax, the value of your investment in our shares may decline significantly.

Our global income may be subject to PRC taxes under the PRC Enterprise Income Tax Law, which could have a material adverse effect on our results of operations.

Under the PRC Enterprise Income Tax Law, or the New EIT Law, and its implementation rules, which became effective in January 2008, an enterprise established outside of the PRC with a “de facto management body” located within the PRC is considered a PRC resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term “de facto management bodies” as “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel and human resources, finance and treasury, and acquisition and disposition of properties and other assets of an enterprise.” On April 22, 2009, the State Administration of Taxation (the “SAT”), issued a circular, or SAT Circular 82 (partly modified by SAT Announcement [2014]No. 9), which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although the SAT Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the determining criteria set forth in the SAT Circular 82 may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the resident status of all offshore enterprises for the purpose of PRC tax, regardless of whether they are controlled by PRC enterprises or individuals. Although we do not believe that our legal entities organized outside of the PRC constitute PRC resident enterprises, it is possible that the PRC tax authorities could reach a different conclusion. In such case, we may be considered a PRC resident enterprise and may therefore be subject to the 25% enterprise income tax on our global income, which could significantly increase our tax burden and materially and adversely affect our cash flow and profitability. In addition to the uncertainty regarding how the new PRC resident enterprise classification for tax purposes may apply, it is also possible that the rules may change in the future, possibly with retroactive effect.

We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

On February 3, 2015, the State Administration of Taxation issued an Announcement on Several Issues Concerning Enterprise Income Tax on Income Arising from Indirect Transfers of Property by Non-PRC Resident Enterprises, or Announcement 7, with the same effective date. Under Announcement 7, an “indirect transfer” refers to a transaction where a non-resident enterprise transfers its equity interest and other similar interest in an offshore holding company, which directly or indirectly holds Chinese taxable assets (the assets of an “establishment or place” situated in China; real property situated in China and equity interest in Chinese resident enterprises) and any indirect transfer without reasonable commercial purposes are subject to the PRC taxation. In addition, Announcement 7 specifies the conditions under which an indirect transfer is deemed to lack a reasonable commercial purpose which include: (1) 75% or more of the value of the offshore holding company’s equity is derived from Chinese taxable assets, (2) anytime in the year prior to the occurrence of the indirect transfer of Chinese taxable assets, 90% or more of the total assets (excluding cash) of the offshore holding company are direct or indirect investment in China, or 90% or more of the revenue of the offshore holding company was sourced from China; (3) the functions performed and risks assumed by the offshore holding company(ies), although incorporated in an offshore jurisdiction to conform to the corporate law requirements there, are insufficient to substantiate their corporate existence and (4) the foreign income tax payable in respect of the indirect transfer is lower than the Chinese tax which would otherwise be payable in respect of the direct transfer if such transfer were treated as a direct transfer. As a result, gains derived from such indirect transfer will be subject to PRC enterprise income tax, currently at a rate of 10%.

Announcement 7 grants a safe harbor under certain qualifying circumstances, including transfers in the public securities market and certain intragroup restricting transactions, however, there is uncertainty as to the implementation of Announcement 7. For example, Announcement 7 requires the buyer to withhold the applicable taxes without specifying how to obtain the information necessary to calculate taxes and when the applicable tax shall be submitted. Announcement 7 may be determined by the tax authorities to be applicable to our offshore restructuring transactions or sale of the shares of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved. Though Announcement 7 does not impose a mandatory obligation of filing the report of taxable events, the transferring party shall be subject to PRC withholding tax if the certain tax filing conditions are met. Non-filing may result in an administrative penalty varying from 50% to 300% of unpaid taxes. As a result, we and our non-resident enterprises in such transactions may become at risk of being subject to taxation under Announcement 7, and may be required to expend valuable resources to comply with Announcement 7 or to establish that we and our non-resident enterprises should not be taxed under Announcement 7, for any restructuring or disposal of shares of our offshore subsidiaries, which may have a material adverse effect on our financial condition and results of operations.

Restrictions on currency exchange may limit our ability to utilize our revenue effectively.

Substantially all of our revenue is denominated in Renminbi. The Renminbi is currently convertible under the “current account,” which includes dividends, trade and service-related foreign exchange transactions, but not under the “capital account,” which includes foreign direct investment and loans. Currently, our PRC subsidiaries, which are wholly-owned foreign enterprises, may purchase foreign currency for settlement of “current account transactions,” including payment of dividends to us, without the approval of SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Since a significant amount of our future revenue will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in Renminbi to fund our business activities outside of the PRC or pay dividends in foreign currencies to our shareholders. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE or banks and other relevant PRC governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

Fluctuations in the foreign currency exchange rate between U.S. Dollars and Renminbi could adversely affect our financial condition.

The value of the RMB against the U.S. dollar and other currencies may fluctuate. Exchange rates are affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. On July 21, 2005, the PRC government changed its policy of pegging the value of the RMB to the U.S. dollar. Under this policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of foreign currencies. Following the removal of the U.S. dollar peg, the RMB appreciated more than 20% against the U.S. dollar over three years. From July 2008 until June 2010, however, the RMB traded stably within a narrow range against the U.S. dollar. On June 20, 2010, the PBOC announced that the PRC government would reform the RMB exchange rate regime and increase the flexibility of the exchange rate. Since June 2010, the RMB has appreciated more than 10% against the U.S. dollar. In April 2012, the PRC government announced it would allow greater RMB exchange rate fluctuation. On August 11, 12 and 13, 2015, the PRC government successively set the central parity rate for the RMB more than 3% lower in the aggregate than that of August 10, 2015 and announced that it will begin taking into account previous day’s trading in setting the central parity rate. In 2015, the yuan experienced a 4.88% drop in value, and on January 4, 2016 the PRC government set the U.S. dollar-Chinese yuan currency pair to a reference rate of 6.5%, the lowest rate in 4.5 years. In 2019, the exchange rate of RMB against the US dollar depreciated by 4.1%. (Source: website of National Bureau of Statistics Annual Statistic Report, dated February 28, 2020). However, it is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future. As significant international pressure remains on the PRC government to adopt a more flexible currency policy, greater fluctuation of the RMB against the U.S. dollar could result.

Our revenues and costs are mostly denominated in RMB, and a significant portion of our financial assets are also denominated in RMB. Any significant fluctuations in the exchange rate between the RMB and the U.S. dollar may materially adversely affect our cash flows, revenues, earnings and financial position, and the amount of and any dividends we may pay on our shares in U.S. dollars. Fluctuations in the exchange rate between the RMB and the U.S. dollar could also result in foreign currency translation losses for financial reporting purposes.

If any dividend is declared in the future and paid in a foreign currency, you may be taxed on a larger amount in U.S. dollars than the U.S. dollar amount that you will actually ultimately receive.

If you are a U.S. holder of our ordinary shares, you will be taxed on the U.S. dollar value of your dividends, if any, at the time you receive them, even if you actually receive a smaller amount of U.S. dollars when the payment is in fact converted into U.S. dollars. Specifically, if a dividend is declared and paid in a foreign currency such as the RMB, the amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the payments made in the foreign currency, determined at the spot rate of the foreign currency to the U.S. dollar on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Thus, if the value of the foreign currency decreases before you actually convert the currency into U.S. dollars, you will be taxed on a larger amount in U.S. dollars than the U.S. dollar amount that you will actually ultimately receive.

Future inflation in China may inhibit economic activity and adversely affect the Company's operations.

The Chinese economy has experienced periods of rapid expansion in recent years which can lead to high rates of inflation or deflation. This has caused the PRC government to, from time to time, enact various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the PRC government to once again impose controls on credit and/or prices, or to take other action, which could inhibit economic activity in China. Any action on the part of the PRC government that seeks to control credit and/or prices may adversely affect the Company's business operations.

PRC laws and regulations have established more complex procedures for certain acquisitions of Chinese companies by foreign investors, which could make it more difficult for the Company to pursue growth through acquisitions in China.

Further to the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the New M&A Rules, the Anti-monopoly Law of the PRC, the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by MOFCOM or the MOFCOM Security Review Rules, was issued in August 2011, which established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that MOFCOM be notified in advance of any change of control transaction in which a foreign investor takes control of a PRC enterprise, or that the approval from MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review and or security review.

The MOFCOM Security Review Rules, effective from September 1, 2011, which implement the Notice of the General Office of the State Council on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated on February 3, 2011, further provide that, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review by MOFCOM, the principle of substance over form should be applied and foreign investors are prohibited from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through agreements control or offshore transactions.

Further, if the business of any target company that the Company seeks to acquire falls into the scope of security review, the Company may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any VIE Agreement. The Company may grow its business in part by acquiring other companies operating in its industry. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit its ability to complete such transactions, which could affect its ability to maintain or expand its market share.

In addition, SAFE promulgated the Circular on the Settlement of Foreign Currency Capital of Foreign-invested Enterprises, or Circular 19, on June 1, 2015. Under Circular 19 (partly modified by Huifa No.39 [2019]), registered capital of a foreign-invested company settled in RMB converted from foreign currencies may only be used within the business scope approved by the applicable governmental authority and the equity investments in the PRC made by the foreign-invested company shall be subject to the relevant laws and regulations about the foreign-invested company's reinvestment in the PRC. In addition, foreign-invested companies cannot use such capital to make the investments on securities, and cannot use such capital to issue the entrusted RMB loans (except approved in its business scope), repay the RMB loans between the enterprises and the ones which have been transferred to the third party. Circular 19 may significantly limit our ability to effectively use the proceeds from future financing activities as the Chinese subsidiaries may not convert the funds received from us in foreign currencies into RMB, which may adversely affect their liquidity and our ability to fund and expand our business in the PRC.

Failure to comply with the United States Foreign Corrupt Practices Act and Chinese anti-corruption laws could subject us to penalties and other adverse consequences.

As our shares are quoted on OTC, we are subject to the United States Foreign Corrupt Practices Act, which generally prohibits United States companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Non-U.S. companies, including some that may compete with us, may not be subject to these prohibitions. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur from time-to-time in the PRC. Our employees or other agents may engage in such conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations.

Our management may have to expend time and resources becoming familiar with United States securities laws, which could lead to various regulatory issues.

Management of the Company has limited familiarity with United States securities laws. They may have to expend time and resources becoming more familiar with such laws. This could be expensive and time-consuming and could lead to various regulatory issues, which may adversely affect our operations.

If we become directly subject to the recent scrutiny, criticism and negative publicity involving U.S.-listed Chinese companies, we may have to expend significant resources to investigate and resolve the matter which could harm our business operations and our reputation and could result in a loss of your investment in our shares, especially if such matter cannot be addressed and resolved favorably.

U.S. public companies that have substantially all of their operations in China have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the SEC. Much of the scrutiny, criticism and negative publicity has centered around financial and accounting irregularities, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result of the scrutiny, criticism and negative publicity, the publicly traded stock of many U.S. listed Chinese companies has sharply decreased in value and, in some cases, has become virtually worthless. Many of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on our company and our business. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we will have to expend significant resources to investigate such allegations and/or defend the Company. This situation may be a major distraction to our management. If such allegations are not proven to be groundless, our Company and business operations will be severely hampered and your investment in our stock could be rendered worthless.

The disclosures in our reports and other filings with the SEC and our other public pronouncements are not subject to the scrutiny of any regulatory bodies in the PRC.

Our reports and other filings with the SEC are subject to SEC review in accordance with the rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act. Our SEC filings and other disclosure and public pronouncements are not subject to the review or scrutiny of any PRC regulatory authority. For example, the disclosure in our SEC reports and other filings are not subject to the review by CSRC, a PRC regulator that is tasked with oversight of the capital markets in China. Accordingly, you should review our SEC reports, filings and our other public pronouncements with the understanding that no local regulator has done any review of our Company, our SEC reports, other filings or any of our other public pronouncements.

There are uncertainties under the PRC laws relating to the procedures for U.S. regulators to investigate and collect evidence from companies located in the PRC.

Shareholder claims that are common in the U.S., including securities law class actions and fraud claims, among other matters, generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to obtaining information needed for shareholder investigations or litigation outside China or otherwise with respect to foreign entities. Although the local authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such regulatory cooperation with the securities regulatory authorities in the United States have not been efficient in the absence of mutual and practical cooperation mechanism. According to Article 177 of the PRC Securities Law, which became effective in March 2020, or Article 177, the securities regulatory authority of the State Council may collaborate with securities regulatory authorities of other countries or regions in order to monitor and oversee cross border securities activities. Article 177 further provides that overseas securities regulatory authorities are not permitted to carry out investigation and evidence collection directly within the territory of the PRC, and that any Chinese entities and individuals are not allowed to provide documents or materials related to securities business activities to overseas agencies without prior consent of the securities regulatory authority of the State Council and the competent departments of the State Council.

Our principal business operations are conducted in the PRC. In the event that any U.S. regulators carry out investigations with respect to our business and need to conduct investigation or collect evidence within the territory of the PRC, the U.S. regulators may not be able to carry out such investigation or evidence collection directly in the PRC under the PRC laws. U.S. regulators may consider cross-border cooperation with securities regulatory authority of the PRC by way of judicial assistance, diplomatic channels or regulatory cooperation mechanism established with the securities regulatory authority of the PRC. However, there can be no assurance that the U.S. regulators could succeed in establishing such cross-border cooperation in a specific case or could establish the cooperation in a timely manner. If U.S. regulators are unable to conduct such investigations, they may determine to suspend the quotation of our securities on the OTC markets or choose to suspend or de-register our SEC registration.

Newly enacted Holding Foreign Companies Accountable Act, recent regulatory actions taken by the SEC and the Public Company Accounting Oversight Board, or the PCAOB, and proposed rule changes submitted by U.S. stock exchanges calling for additional and more stringent criteria to be applied to China-based public companies could add uncertainties to our capital raising activities and compliance costs.

In April 2020, the SEC then-Chairman, Jay Clayton, and PCAOB Chairman, William D. Duhnke III, along with other senior SEC staff, released a joint statement highlighting the risks associated with investing in companies based in or have substantial operations in emerging markets including China. The joint statement emphasized the risks associated with lack of access for the PCAOB to inspect auditors and audit work papers in China and higher risks of fraud in emerging markets.

In May 2020, the U.S. Senate passed the Holding Foreign Companies Accountable Act (“HFCAA” or the “Act”) requiring a foreign company to certify it is not owned or controlled by a foreign government if the PCAOB is unable to audit specified reports because the company uses a foreign auditor not subject to PCAOB inspection. If the PCAOB is unable to inspect the company’s auditors for three consecutive years, the issuer’s securities are prohibited to trade on a national exchange.

In August 2020, the President’s Working Group on Financial Markets (“PWG”) issued a Report on Protecting United States Investors from Significant Risks from Chinese Companies. The Report made five recommendations designed to address risks to investors in U.S. financial markets posed by the Chinese government’s failure to allow audit firms that are registered with the PCAOB to comply with U.S. securities laws and investor protection requirements. Among the recommendations was advice to enhance the listing standards of U.S. exchanges to require, as a condition of initial and continued exchange listing, PCAOB access to main auditor work papers either directly or through co-audits.

On December 2, 2020, the U.S. House of Representatives passed the HFCAA. On December 18, the HFCAA was signed into law. Among other things, the HFCAA amends the Sarbanes-Oxley Act of 2002 to require the SEC to prohibit the securities of foreign companies from being traded on U.S. securities markets, if the company retains a foreign accounting firm that cannot be inspected or investigated completely by the PCAOB for three consecutive years, beginning in 2021. The Act also requires foreign companies to make certain disclosures about their ownership by governmental entities.

On March 24, 2021, the SEC adopted interim final amendments and on December 2, 2021, the SEC adopted final amendments to implement congressionally mandated submission and disclosure requirements of the HFCAA. The interim final amendments will apply to registrants that the SEC identifies as having filed an annual report on Form 20-F and other forms with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB has determined it is unable to inspect or investigate completely because of a position taken by an authority in that jurisdiction. The SEC will implement a process for identifying such a registrant and any such identified registrant will be required to submit documentation to the SEC establishing that it is not owned or controlled by a governmental entity in that foreign jurisdiction, and will also require disclosure in a company's annual report regarding the audit arrangements of, and governmental influence on, such a registrant.

The lack of access to the audit work paper or other inspections prevents the PCAOB from fully evaluating audits and quality control procedures of the auditors based in China. As a result, investors may be deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of those accounting firms' audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections.

After SEC issued new disclosure requirements to Chinese companies seeking to list on Nasdaq, SEC approved the Public Company Accounting Oversight Board's (PCAOB) Rule 6100 establishing framework for determinations under the HFCAA. On December 20, 2021, the SEC's Division of Corporation Finance (the "Division") posted an illustrative letter containing sample comments that the Division may issue to China-based companies describing 15 areas where the agency encourages existing and future China-based listings to increase disclosures. On December 20, 2021, the PCAOB issued a report on its determinations that the PCAOB is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland because of positions taken by PRC authorities in those jurisdictions.

Our independent registered public accounting firm that issued the audit report for our financial statements for 2021, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess our auditor's compliance with the applicable professional standards. Our auditor is based on the U.S. and has been inspected by the PCAOB on a regular basis. However, the recent U.S. legislative and evolving regulatory environments as related to PRC companies listing or seeking to list stock on U.S. exchanges would add uncertainties to the trading and price volatility of our common shares. The rules and guidelines applicable in the future are unclear and may affect the progress of our application. We cannot be certain whether SEC or other U.S. regulatory authorities would apply additional and more stringent criteria to Chinese issuers including us as related to the audit of our financial statements. These additional requirements and more stringent criteria to be applied could add potential risks to our business and share price. Investigations under more strict scrutiny brought significant impact to the Company that may materially and adversely affect your stock holdings value, reduces the value of your investment.

Additional factors outside of our control related to doing business in China could negatively affect our business.

Additional factors that could negatively affect our business include a potential significant revaluation of the Renminbi, which may result in an increase in the cost of commodity or products in the PRC supply chain industry, labor shortages and increases in labor costs in China as well as difficulties in moving products manufactured in China out of the country, whether due to infrastructure inadequacy, labor disputes, slowdowns, PRC regulations and/or other factors. Prolonged disputes or slowdowns can negatively impact both the time and cost of goods. Natural disasters or health pandemics impacting China can also have a significant negative impact on our business. Further, the imposition of trade sanctions or other regulations against products supplied or sold in the supply chain industry transactions for which we provide solutions or the loss of "normal trade relations" status with China could significantly affect our operating results and harm our business.

The risk related to products quality responsibility and personal claims.

The Company's subsidiaries and related parties' business scope involve the operation and distribution of medical device, in product liability claims we should be liable for compensation according to the Civil Law, the Product Quality Law and the Tort Liability Law in below circumstances: (1)Where physical injury is caused to a person or damage to another person's property by a product's defect resulting from the seller's fault; (2) Where the seller can identify neither the producer of the defective product nor the supplier thereof; (3) Where a defective product causes physical injury to a person or damage to another person's property, the victim may claim compensation from the producer or from the seller of such product. We may be involved in any litigation regarding the products we sold or distributed due to our contractual relationship with other companies. If we lose the lawsuit, the damages can be very substantial, even if we are found not liable, the costs of litigation can be quite substantial. Additional, product liability dispute litigation may cause adversely affect on our business reputation and efficiency, further, affect or interrupt the company's operations and revenue.

Risks arising from reliance on third-party service providers and intellectual property rights risk.

The Company's subsidiaries have co-operation agreements with technology enterprises that have patent or other independent intellectual property rights which have been properly registered with regulatory agencies such as the State Intellectual Property Office and Trademark Office of China's State Administration for Industry and Commerce (SAIC). Our service and reputation significantly rely on the third-party suppliers mentioned above. If (i) the PRC authorities invalidate these agreements for violation of PRC laws, rules, and regulations, (ii) the agreements are valid but can not be performed, or (iii) any parties fail to perform their obligations under these agreements, our business operations in China would be materially and adversely affected, and the value of your stock would substantially decrease. If a third party fails to perform or defective perform its contractual obligations, it will lead to a failure to provide products or services according to meet our consumers' requirements, we may have to take legal action to compel them to fulfill their contractual obligations. The Company depends on third parties to a large extent that it could not enable us to feasibly monitor the behavior of third parties to reasonably avoid contractual risks. Further, because intellectual property rights are owned by a third party, it is difficult for the company to restrain third parties from intellectual property infringement or default disclosure of trade secrets. This could harm our reputation and business position.

Federal and state privacy laws, and equivalent laws of third countries, may increase our costs of operation and expose us to civil and criminal sanctions.

The Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations that have been issued under it, or collectively HIPAA, and similar laws outside the United States, contain substantial restrictions and requirements with respect to the use and disclosure of individuals' protected health information. The HIPAA privacy rules prohibit "covered entities," such as healthcare providers and health plans, from using or disclosing an individual's protected health information, unless the use or disclosure is authorized by the individual or is specifically required or permitted under the privacy rules. Under the HIPAA security rules, covered entities must establish administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of electronic protected health information maintained or transmitted by them or by others on their behalf. While we do not believe that we will be a covered entity under HIPAA, we believe many of our customers will be covered entities subject to HIPAA. Such customers may require us to enter into business associate agreements, which will obligate us to safeguard certain health information we obtain in the course of our relationship with them, restrict the manner in which we use and disclose such information and impose liability on us for failure to meet our contractual obligations.

In addition, under The Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, which was signed into law as part of the U.S. stimulus package in February 2009, certain of HIPAA's privacy and security requirements are now also directly applicable to "business associates" of covered entities and subject them to direct governmental enforcement for failure to comply with these requirements. We may be deemed as a "business associate" of some of our customers. As a result, we may be subject as a "business associate" to civil and criminal penalties for failure to comply with applicable privacy and security rule requirements. Moreover, HITECH created a new requirement obligating "business associates" to report any breach of unsecured, individually identifiable health information to their covered entity customers and imposes penalties for failing to do so.

In addition to HIPAA, most U.S. states have enacted patient confidentiality laws that protect against the disclosure of confidential medical information, and many U.S. states have adopted or are considering adopting further legislation in this area, including privacy safeguards, security standards, and data security breach notification requirements. These U.S. state laws, which may be even more stringent than the HIPAA requirements, are not preempted by the federal requirements, and we are therefore required to comply with them to the extent they are applicable to our operations.

These and other possible changes to HIPAA or other U.S. federal or state laws or regulations, or comparable laws and regulations in countries where we conduct business, could affect our business and the costs of compliance could be significant. Failure by us to comply with any of the standards regarding patient privacy, identity theft prevention and detection, and data security may subject us to penalties, including civil monetary penalties and in some circumstances, criminal penalties. In addition, such failure may damage our reputation and adversely affect our ability to retain customers and attract new customers.

The protection of personal data, particularly patient data, is subject to strict laws and regulations in many countries. The collection and use of personal health data in the EU is governed by the provisions of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, commonly known as the Data Protection Directive. The Directive imposes a number of requirements including an obligation to seek the consent of individuals to whom the personal data relates, the information that must be provided to the individuals, notification of data processing obligations to the competent national data protection authorities of individual EU Member States and the security and confidentiality of the personal data. The Data Protection Directive also imposes strict rules on the transfer of personal data out of the EU to the U.S. Failure to comply with the requirements of the Data Protection Directive and the related national data protection laws of the EU Member States may result in fines and other administrative penalties and harm our business. We may incur extensive costs in ensuring compliance with these laws and regulations, particularly if we are considered to be a data controller within the meaning of the Data Protection Directive.

Once we commercialize our product, if ever, security breaches, loss of data and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

We face four primary risks relative to protecting this critical information: loss of access risk, inappropriate disclosure risk, inappropriate modification risk and the risk of our being unable to identify and audit our controls over the first three risks.

We will be highly dependent on information technology networks and systems, including the Internet, to securely process, transmit and store this critical information. Security breaches of this infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorized disclosure or modification of confidential information. The secure processing, storage, maintenance and transmission of this critical information will be vital to our operations and business strategy, and we plan to devote significant resources to protecting such information. Although we will take measures to protect sensitive information from unauthorized access or disclosure, our information technology and infrastructure, and that of our third-party providers, may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other disruptions.

A security breach or privacy violation that leads to disclosure or modification of or prevents access to consumer information (including personally identifiable information or protected health information) could harm our reputation, compel us to comply with disparate state breach notification laws, require us to verify the correctness of database contents and otherwise subject us to liability under laws that protect personal data, resulting in increased costs or loss of revenue. If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures, our operations could be disrupted, and we may suffer loss of reputation, financial loss and other regulatory penalties because of lost or misappropriated information, including sensitive consumer data. In addition, these breaches and other inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the type described above.

Any such breach or interruption could compromise our networks or those of our third-party providers, and the information stored there could be inaccessible or could be accessed by unauthorized parties, publicly disclosed, lost or stolen. Any such interruption in access, improper access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, such as HIPAA, and regulatory penalties. Unauthorized access, loss or dissemination could also disrupt our operations, including our ability to perform tests, provide test results, bill payers or patients, process claims and appeals, provide customer assistance services, conduct research and development activities, collect, process and prepare company financial information, provide information about our current and future products and other patient and clinician education and outreach efforts through our website, and manage the administrative aspects of our business and damage our reputation, any of which could adversely affect our business. Any such breach could also result in the compromise of our trade secrets and other proprietary information, which could adversely affect our competitive position.

In addition, the interpretation and application of consumer, health-related, privacy and data protection laws in the U.S., the EU and elsewhere are often uncertain, contradictory and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business.

Risks Related to our Operations as a Public Company and our Securities

If financial performance do not meet the expectations of investors, shareholders or financial analysts, the market price of the Company's securities may be volatile and decline.

If our business and/or financial performance do not meet the expectations of investors or securities analysts, the market price of the Company's securities may decline. If an active market for the Company's securities develops and continues, the trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in the Company's securities which may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of the Company's securities may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning the Company or the lending market in general;
- operating and stock price performance of other companies that investors deem comparable to the Company;
- our ability to market new and enhanced services on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving the Company;
- the Company's ability to access the capital markets as needed;
- changes in the Company's capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of ordinary shares available for public sale;
- any major change in our board or management;
- sales of substantial amounts of ordinary shares by our directors, executive officers or significant shareholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of the Company's securities irrespective of our operating performance. The stock market in general, has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress our stock price regardless of our business, prospects, financial condition or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

The Company's business and share and warrant prices may suffer as a result of the Company's insufficient public company operating experience and if securities or industry analysts do not publish or cease publishing research or reports about the Company, its business, or its market, or if they change their recommendations regarding our ordinary shares adversely, the price and trading volume of our ordinary shares and warrants could decline.

The Company has been a public company for a limited number of years. The Company's insufficient public company operating experience may make it difficult to forecast and evaluate its future prospects. If the Company is unable to execute its business strategy, either as a result of its inability to effectively manage its business in a public company environment or for any other reason, the Company's business, prospects, financial condition and operating results may be harmed.

The trading market for our ordinary shares and warrants will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. Securities and industry analysts do not currently, and may never, publish research on the Company. If no securities or industry analysts commence coverage of the Company, our ordinary share and warrant prices and trading volume would likely be negatively impacted. If any of the analysts who may cover the Company change their recommendation regarding our shares adversely, or provide more favorable relative recommendations about our competitors, the price of our ordinary shares and warrants would likely decline. If any analyst who may cover the Company were to cease coverage of the Company or fail to regularly publish reports on it, we could lose visibility in the financial markets, which could cause our share and warrant prices or trading volume to decline.

The Company has only registered a small number of our ordinary shares issuable upon exercise of our warrants, and has not registered any of our ordinary shares underlying the preferred shares under the Securities Act of 1933, as amended (the “Securities Act”) or state securities laws at this time, and such registration may not be in place when an investor desires to exercise such warrants.

The Company has only registered a small number of the ordinary shares issuable upon exercise of our warrants, and has not registered any of our ordinary shares underlying the preferred shares under the Securities Act or any state securities laws at this time. We have agreed to use our best efforts to file with the SEC a registration statement for the registration, under the Securities Act, covering these securities as soon as practicable after the closing of the Business Combination and cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto.

Warrants we sold will become exercisable for the Company’s ordinary shares, which would increase the number of shares eligible for future resale in the public market and result in dilution to our shareholders.

In addition to the warrants issued before January 1, 2018, at an exercise price of \$6.00 per one-half of one share (\$12.00 per whole share), the Company issued in July 2018 Series A Warrants at an exercise price of \$2.6 per one share and adjusted to \$1.18 per one share on January 19, 2019. All warrants are subject to adjustments. Warrants may be exercised only for a whole number of the Company’s ordinary shares. No fractional shares will be issued upon exercise of warrants. To the extent such warrants are exercised, additional ordinary shares will be issued, which will result in dilution to the then existing holders of ordinary shares of the Company and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our ordinary shares.

The Company’s charter permits the Board by resolution to amend our charter, including to create additional classes of securities, including shares with rights, preferences, designations and limitations as they determine which may have an anti-takeover effect.

The Company’s charter permits the Board by resolution to amend the charter including designating rights, preferences, designations and limitations attaching to the preferred shares as they determine in their discretion, without shareholder approval with respect to the terms or the issuance. When issued, the rights, preferences, designations and limitations of the preferred shares are set by the Board and can operate to the disadvantage of the outstanding ordinary shares the holders of which would not have any pre-emption rights in respect of such an issue of preferred shares. Such terms could include, among others, preferences as to dividends and distributions on liquidation, or can be used to prevent possible corporate takeovers.

The Company is no longer a Nasdaq listed company and, as a result, the Company may not be required to, and may choose not to, obey certain corporate governance requirements of Nasdaq.

The Company’s ordinary shares have not been listed on the Nasdaq since September 2019. As a result, the Company is no longer subject to Nasdaq rules. While the Company plans to continue following certain corporate governance requirements of Nasdaq, it has the discretion not to and may elect to not obey any Nasdaq rules. Its shareholders will not be afforded the same protections generally as shareholders of Nasdaq-listed companies for so long as the Company is not a Nasdaq listed company.

The Company may not be able to timely and effectively implement controls and procedures required by Section 404 of the Sarbanes-Oxley Act of 2002.

The Company is required to establish and maintain internal controls over financial reporting and disclosure controls and procedures and to comply with other requirements of the Sarbanes-Oxley Act and the rules promulgated by the SEC. The Company is required to provide management’s attestation on internal controls. The standards required for a public company under Section 404 of the Sarbanes-Oxley Act of 2002 are significantly more stringent than those required of a privately held company. Management may not be able to effectively and timely implement controls and procedures that adequately respond to the regulatory compliance and reporting requirements, especially considering the new corporate structure after the Lixin Acquisition. If we are not able to implement the additional requirements of Section 404 in a timely manner or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our ordinary shares.

The Company has material weaknesses in its controls and procedures required by Section 404 of the Sarbanes-Oxley Act of 2002. This material weakness may call into question the accuracy of our financial statements which could harm our business and adversely affect the trading price of our ordinary shares.

The Company is required to establish and maintain internal controls over financial reporting and disclosure controls and procedures and to comply with other requirements of the Sarbanes-Oxley Act and the rules promulgated by the SEC. The Company is required to provide management's attestation on internal controls. The standards required for a public company under Section 404 of the Sarbanes-Oxley Act of 2002 are significantly more stringent than those required of a privately held company. Based on our assessment, as of December 31, 2021, we determined that there were material weaknesses in our internal control over financial reporting. We believe these material weaknesses mainly resulted from our not having sufficient personnel with appropriate levels of accounting knowledge and experience to address complex U.S. GAAP accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP. There can be no assurance that the steps we have taken to remedy these material weaknesses will be effective. Any continued material weakness may result in investors believing they may not rely on the accuracy in our financial statements. This could cause our stock price to decline and any resulting material errors could cause us to have to restate our financial statements which would be costly and could further erode investor confidence.

There is no guarantee that our warrants will ever be in the money, and they may expire worthless and the terms of our warrants may be amended.

In addition to the warrants issued before January 1, 2018, at an exercise price of \$6.00 per one-half of one share (\$12.00 per whole share), A Warrants at an exercise price of \$2.60 per one share which was adjusted to \$1.18 per one share on January 19, 2019. All warrants are subject to adjustments. Warrants may be exercised only for a whole number of the Company's ordinary shares. No fractional shares will be issued upon exercise of the warrants. There is no guarantee that the warrants will ever be in the money prior to their expiration, and they may expire worthless. The Series A Warrants are the Company's only outstanding warrants prior to the Reverse Split and such warrants will expire on July 9, 2022.

A market for the Company's securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of the Company's securities may fluctuate significantly due to the market's reaction and general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of the Company's securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, because the Company's ordinary shares were delisted from the Nasdaq Capital Market in September 2019, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities are more limited than when we were listed on the Nasdaq Capital Market. You may be unable to sell your securities unless a market can be established or sustained.

Because the Nasdaq Capital Market delisted the Company's ordinary shares from trading on its exchange due to our failure to meet the Nasdaq Capital Market's initial and/or continued listing standards, we and our security holders face significant material adverse consequences including:

- a limited availability of market quotations for our securities;

- a determination that our ordinary shares are a “penny stock,” which requires brokers trading in our ordinary shares to adhere to more stringent rules, resulting in a reduced level of trading activity in the secondary trading market for our ordinary shares;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Although we are making significant efforts to help our ordinary shares be listed on the Nasdaq Capital Market again, there can be no assurance that we will succeed or, if listed, that we will be able to comply with the continued listing standards of Nasdaq.

Our ordinary shares were delisted from the Nasdaq Capital Market in September 2019. To list the Company’s securities on the Nasdaq Capital Market again, among other conditions, we will be required to demonstrate compliance with Nasdaq’s initial listing standards, which are more rigorous than Nasdaq’s continued listing requirements. For instance, the Company must maintain a minimum number of holders (300 round-lot holders). While we are working hard and spending significant resources on applying for listing on Nasdaq again, we cannot assure you that we will be able to meet those initial listing standards and/or any other conditions.

Risks Related to Our Ordinary Shares, the Warrants and this Offering

An active trading market for our ordinary shares and warrants has not developed on the OTCQB and may not develop in the future regardless of where our stock is quoted or listed. As a result, our shareholders may not be able to resell their ordinary shares.

Although our ordinary shares are quoted on the OTCQB, an active trading market for our ordinary shares has not developed. While we intend to apply to have our ordinary shares and warrants listed on The Nasdaq Capital Market, any such uplisting would likely require that we conduct a substantial financing which we may be unable to do. If we are unsuccessful in our uplisting, we would remain on the OTCQB which could inhibit our ability to cause an active trading market to develop. Even if we are successful in listing on the Nasdaq Capital Market, an active trading market for our shares may never develop or be sustained. We cannot predict the extent to which an active market for our ordinary shares or warrants will develop or be sustained if we are able to list such securities on Nasdaq. If an active market for our ordinary shares or warrants does not develop, it may be difficult for you to sell securities you own without depressing the market price for the shares or warrants, or at all.

Future issuance of our ordinary shares could dilute the interests of existing shareholders.

We may issue additional ordinary shares in the future. The issuance of a substantial number of ordinary shares could have the effect of substantially diluting the interests of our shareholders. In addition, the sale of a substantial amount of ordinary shares in the public market, in the initial issuance, in a situation in which we acquire a company and the acquired company receives ordinary shares as consideration and the acquired company subsequently sells its ordinary shares, or by investors who acquired such ordinary shares in a private placement, could have an adverse effect on the market price of our ordinary shares.

We have some warrants outstanding, and while these warrants are outstanding, it may be more difficult to raise additional equity capital.

As of December 31, 2021, we had outstanding warrants to purchase 623,078 ordinary shares. The holders of these warrants have the opportunity to profit from a rise in the market price of our ordinary shares. We may find it more difficult to raise additional equity capital while these warrants are outstanding. At any time during which these warrants are likely to be exercised, we may be unable to obtain additional equity capital on more favorable terms from other sources. Additionally, the exercise of these warrants will cause the increase of our outstanding ordinary shares, which could have the effect of substantially diluting the interests of our current shareholders.

Sales of a substantial number of shares of our ordinary shares in the public market by our existing shareholders could cause our share price to fall.

Sales of a substantial number of our ordinary shares in the public market, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our ordinary shares. All of the shares owned by our directors, officers and shareholders that own over 5% of our ordinary shares on a fully diluted basis are subject to lock-up agreements with the underwriters of this offering that restrict such shareholders' ability to transfer our ordinary shares for at least six months from the date of this prospectus. All of our outstanding shares held by our directors, officers and shareholders that own over 5% of our ordinary shares on a fully diluted basis will become eligible for unrestricted sale upon expiration of the lockup period, as described in the sections of this prospectus entitled "Shares Eligible for Future Sale" and "Underwriting." In addition, shares issued or issuable upon exercise of options and warrants vested as of the expiration of the lock-up period will be eligible for sale at that time. Sales of shares by these shareholders could have a material adverse effect on the trading price of our ordinary shares. We intend to register the offering, issuance, and sale of all ordinary shares that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the "Underwriting" section of this prospectus. Also, we have granted "piggyback" registration rights to certain investors concurrently with the consummation of our IPO, in October 2014, pursuant to a Registration Rights Agreement. Upon the effectiveness of a future registration statement in which their shares are included pursuant to the exercise of these piggyback rights, these stockholders will be able to freely sell their ordinary shares in the public market without restriction, which sales could materially and adversely affect the trading price of our ordinary shares.

We are a foreign private issuer and, as a result, we are not subject to U.S. proxy rules and are subject to reporting obligations that, to some extent, are more lenient and less frequent than those applicable to a U.S. issuer.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. publicly reporting companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time, and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, while U.S. domestic issuers that are not large accelerated filers or accelerated filers are required to file their annual reports on Form 10-K within 90 days after the end of each fiscal year, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year. Foreign private issuers are also exempt from the Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information.

We have not paid cash dividends on our capital stock since 2017 and we do not anticipate paying any further dividends in the foreseeable future. Consequently, any gains from an investment in our ordinary shares will likely depend on whether the price of our ordinary shares increases, which may not occur.

We have not paid cash dividends on our ordinary shares since 2017 and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the BVI Law imposes restrictions on our ability to declare and pay dividends. As a result, capital appreciation, if any, of our ordinary shares will be your sole source of gain for the foreseeable future. Consequently, in the foreseeable future, you will likely only experience a gain from your investment in our ordinary shares if the price of our ordinary shares increases beyond the price in which you originally acquired the ordinary shares.

The current and potential future application of the SEC's "penny stock" rules to our ordinary shares could limit trading activity in the market, and our shareholders may find it more difficult to sell their shares.

If our ordinary shares continue to trade at less than \$5.00 per share we will continue to be subject to the SEC's penny stock rules. Penny stocks generally are equity securities with a price of less than \$5.00. Penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The broker-dealer must also make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit their market price and liquidity of our securities. These requirements may restrict the ability of broker-dealers to sell our ordinary shares and may affect our shareholders' ability to resell their ordinary shares.

In the event a market develops for our ordinary shares, the market price of our ordinary shares may be volatile.

In the event a market develops for our ordinary shares, the market price of our ordinary shares may be highly volatile. Some of the factors that may materially affect the market price of our ordinary shares are beyond our control, such as changes in financial estimates by industry and securities analysts, conditions or trends in the industry in which we operate or sales of our ordinary shares. These factors may materially adversely affect the market price of our ordinary shares, regardless of our performance. In addition, the public stock markets have experienced extreme price and trading volume volatility. This volatility has significantly affected the market prices of securities of many companies for reasons frequently unrelated to the operating performance of the specific companies. These broad market fluctuations may adversely affect the market price of our ordinary shares.

If we are or become classified as a passive foreign investment company, our U.S. shareholders may suffer adverse tax consequences as a result.

Generally, for any taxable year, if at least 75% of our gross income is passive income, or at least 50% of the value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of these tests, passive income includes dividends, interest gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income (including amounts derived by reason of the temporary investment of funds raised in offerings of our shares) and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. If we are characterized as a PFIC, our U.S. shareholders may suffer adverse tax consequences, including having gains realized on the sale of our ordinary shares treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares by individuals who are U.S. holders, and having interest charges apply to distributions by us and gains from the sales of our shares.

Our status as a PFIC will depend on the nature and composition of our income and the nature, composition and value of our assets (which, assuming we are not a "controlled foreign corporation," or a CFC, under Section 957(a) of the Internal Revenue Code of 1986, as amended, or the Code, for the year being tested, may be determined based on the fair market value of each asset, with the value of goodwill and going concern value determined in large part by reference to the market value of our common shares, which may be volatile). Our status may also depend, in part, on how quickly we utilize the cash proceeds from this offering in our business. Based upon the value of our assets, including any goodwill, and the nature and composition of our income and assets, we do not believe that we were classified as a PFIC for the taxable year ended December 31, 2020 and we do not believe that we will be classified as a PFIC for the taxable year ending December 31, 2021 or in the immediately foreseeable future. Because the determination of whether we are a PFIC for any taxable year is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC in any taxable year. Accordingly, our legal counsel expresses no opinion with respect to our PFIC status for our taxable year ended December 31, 2018, and also expresses no opinion with regard to our expectations regarding our PFIC status in the future.

The tax consequences that would apply if we were classified as a PFIC would also be different from those described above if a U.S. shareholder were able to make a valid qualified electing fund, or QEF, election. At this time, we do not expect to provide U.S. shareholders with the information necessary for a U.S. shareholder to make a QEF election. Prospective investors should assume that a QEF election will not be available.

The intended tax effects of our corporate structure and intercompany arrangements depend on the application of the tax laws of various jurisdictions and on how we operate our business.

Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by changes in foreign currency exchange rates or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. As we intend to operate in numerous countries and taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. In addition, tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, on December 22, 2017, the Tax Cuts and Jobs Act was enacted, which introduced a comprehensive set of tax reforms. We continue to assess the impact of such tax reform legislation on our business and may determine that changes to our structure, practice or tax positions are necessary in light of the Tax Cuts and Jobs Act. Certain impacts of this legislation have been taken into account in our financial statements, including the reduction of the U.S. corporate income tax rate from the previous 35 percent to 21 percent. The Tax Cuts and Jobs Act in conjunction with the tax laws of other jurisdictions in which we operate, however, may require consideration of changes to our structure and the manner in which we conduct our business. Such changes may nevertheless be ineffective in avoiding an increase in our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

If tax authorities in any of the countries in which we operate were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, potentially resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they adversely change their recommendations or publish negative reports regarding our business or our shares, our share price and trading volume could decline.

The trading market for our ordinary shares will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. We do not have any control over these analysts, and we cannot provide any assurance that analysts will cover us or provide favorable coverage. If any of the analysts who may cover us adversely change their recommendation regarding our shares, or provide more favorable relative recommendations about our competitors, our share price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Corporate History and Structure of our PRC Operation

Roan Holdings Group Co., Ltd. (formerly DT Asia Investments Limited, or “DT Asia,” and subsequently China Lending Corporation) (the “Company,” “Roan,” “we,” “us” or “our”) is a British Virgin Islands company limited by shares. The Company was established on April 8, 2014 under the laws of the British Virgin Islands (“BVI”) as a shell company with the purpose of acquiring, engaging in share exchange, share reconstruction and amalgamation, purchasing all or substantially all of the assets of, entering into contractual arrangements, or engaging in any other similar business combination with one or more businesses or entities. The address of our principal executive offices is 147 Ganshui Lane, Yuhuangshannan Fund Town, Shangcheng District, Hangzhou, Zhejiang, China. Our current agent is SCS Secretarial Services Limited and its address is Room 703, 7th Floor, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC and state the address of that site (<http://www.sec.gov>). Our website is www.roanholdingsgroup.com. The information contained on our website is not incorporated by reference and does not form part of this annual report on Form 20-F.

We refer to “Item 5. Operating and Financial Review and Prospects” for the description of our recent investments. Apart from these investments, there have been no material capital expenditures in the last three years. The material divestitures are listed below under the title “Dispositions of China Roan Industrial-Financial Holdings Group Co., Limited and subsidiaries”.

On July 6, 2016, the Company consummated a business combination (the “First Business Combination”) with Adrie Global Holdings Limited (“Adrie”) and its subsidiaries and variable interest entity (“VIE”) by acquiring from the shareholders of Adrie all of outstanding equity interests of Adrie in exchange for 20 million ordinary shares of DT Asia and a purchase price of \$200.0 million. Adrie, through its subsidiaries and VIE, was engaged in the business of providing loan facilities to micro, small and medium sized enterprises (“MSMEs”) and sole proprietors in Xinjiang Uyghur Autonomous Region (“XUAR”) of the People’s Republic of China (“PRC”). As a result of the business combination, shareholders of Adrie became the controlling shareholders of the Company, and Adrie became a subsidiary of the Company. For financial reporting purpose, the consolidated assets, liabilities and results of operations of Adrie became the historical financial statements of the Company, and the Company’s assets, liabilities and results of operations were consolidated with that of Adrie beginning on the acquisition date. Immediately following the First Business Combination, the Company’s name was changed from DT Asia to China Lending Corporation (“CLDC”).

In June through December 2019, the Company consummated a second business combination with Lixin Financial Holdings Group Limited (“Lixin Cayman”) and its subsidiaries, pursuant to which the Company acquired a majority interest in Lixin Cayman (the “Second Business Combination” or “Lixin Acquisition”) (discussed below). In connection with the Second Business Combination, the Company was renamed Roan Holdings Group Co., Ltd. (“Roan”) in November 2019. Roan is a holding company and conducts business operations through its direct and indirect subsidiaries.

ADRIE Global Holding Limited (“Adrie”) was established under the laws of the BVI as a company limited by shares on November 19, 2014 and became a wholly-owned subsidiary of the Company after the First Business Combination. Adrie is a holding company that has no substantial operations and has no assets other than its ownership of a wholly-owned subsidiary.

China Roan Industrial-Financial Holdings Group Co., Ltd. (中国融安产融控股集团有限公司) (“Roan HK” or “RAHK”) (formerly China Feng Hui Financial Holding Group Co., Ltd. and subsequently, China Fenghui Industrial-Financial Holding Group Co. Ltd.) is a wholly-owned subsidiary of Adrie. It was established on February 11, 2015 under the laws of the Hong Kong Special Administrative Region (“Hong Kong”) of the PRC. It is a holding company and conducts business through its direct and indirect subsidiaries. On September 30, 2021, the Company disposed Roan HK and its subsidiaries, Xinjiang Feng Hui Jing Kai Direct Lending Limited (新疆丰汇经开小额贷款有限公司) (“Jing Kai”).

Fortis Industrial Group Limited (富通产业集团有限公司) (“Fortis” or “FIG”, formerly called Fortis Health Industrial Group Limited or 富通健康产业集团有限公司) was established on December 30, 2019 under the laws of Hong Kong. It is a wholly owned subsidiary of Adrie. It is a holding company and conducts business through its direct and indirect subsidiaries.

Yifu Health Industry (Ningbo) Co., Ltd. (怡福健康产业(宁波)有限公司) (“Yi Fu”) is a wholly-owned subsidiary of Fortis and is engaged in healthcare related professional services business. Prior to August 7, 2020, Yi Fu conducted financial leasing business under its prior corporate name of Ningbo Ding Tai Financial Leasing Co., Ltd. (宁波鼎泰融资租赁有限公司) (“Ding Tai”). Ding Tai was established in December 19, 2016 under the laws of the PRC for the purpose of engaging in financial leasing business. In July 2020, Roan HK transferred 100% of YiFu’s equity interest to Fortis, which is 100% owned by the Company.

Hangzhou Zeshi Investment Partnership (Limited Partnership) (杭州泽时投资合伙企业(有限合伙)) (“Hangzhou Zeshi”) was formed on November 29, 2018 under the laws of the PRC. It is a limited partnership with 98.04% of its interest owned by Yi Fu, its general partner, and the remaining 1.96% is owned by Zeshi Insurance (discussed below). It is primarily engaged in asset management business.

Through Hangzhou Zeshi, we provide new supply chain financing services, including a business factoring program, financing products design, related corporate financing solutions, investments and asset management, as part of our restructuring plan implemented in 2019.

Ningbo Zeshi Insurance Technology Co., Ltd. (宁波泽时保险科技有限公司) (“Zeshi Insurance”) was incorporated on February 28, 2020 under the laws of the PRC. Yi Fu owns 99% of Zeshi Insurance equity interest with the remaining 1% owned by Hangzhou Zeshi. Its principal business is providing insurance technology services and related services.

Zeshi (Hangzhou) Health Management Co., Ltd. (泽时(杭州)健康管理有限公司) (“Zeshi Health”) was incorporated on March 3, 2020 under the laws of the PRC. Hangzhou Zeshi and Yi Fu own 99% and 1%, respectively, of its interest. Zeshi Health provides services in health management, health big data management and blockchain technology-based health information management.

A joint venture, Yijia Travel (Hangzhou) Digital Technology Co. Ltd. (易佳行旅(杭州)数字科技有限公司) (“Yijia Travel”), was incorporated on August 2, 2021 under the laws of the PRC. The Company and the Company’s business partner, Shuzhiyun Holdings (Beijing) Co., Ltd. (“Shuzhiyun”), who signed an agreement with the Company to vote in concert, own 35% and 30%, respectively, of its interest. Yijia Travel (Hangzhou) Digital Technology Co. Ltd. (“Yijia Travel”) owns the remaining 30% equity in the joint venture. Yijia Travel provides business travel services.

A joint venture, Fine C+ Health (Hangzhou) Technology Limited (乐享未来健康科技(杭州)有限公司) (“FINE C+ Health”), was incorporated on October 14, 2021 under the laws of the PRC. The Company’s subsidiary, Yi Fu and the Company’s business partner, Shuzhiyun, who signed an agreement with the Company to vote in concert, own 40% and 30%, respectively, of its interest. Shanghai Jingmu Information Technology Co. Ltd. (“Jingmu”) owns the remaining 30% equity in the joint venture. FINE C+ Health provides online medical consultation and traditional Chinese medicine.

A joint venture, FINE C+ Digital Technology (Hangzhou) Limited (乐享未来数字科技(杭州)有限公司) (“FINE C+ Digital”), was incorporated on November 8, 2021 under the laws of the PRC. The Company and the Company’s business partner, Shuzhiyun, who signed an agreement with the Company to vote in concert, own 45% and 30%, respectively, of its interest. Shenzhen Geile Information Technology Co., Ltd. (“Harvest”, formerly called “Shenzhen Harvest Business Ltd., Co.”), owns the remaining 25% equity in the joint venture. FINE C+ Digital offers lifestyle consumer services including cross-platform clearing and settlement services for consumer reward rights and interests.

A joint venture, FINE C+ Interactive Technology (Hangzhou) Limited (乐享未来互动科技(杭州)有限公司) (“FINE C+ Interactive”) was incorporated on November 8, 2021 under the laws of the PRC. The Company and the Company’s business partner, Shuzhiyun, who signed an agreement with the Company to vote in concert, own 35% and 14%, respectively, of its interest. Flourishing Technology Inc. (“Flourishing”) and media interactive technology experts owns the remaining 51% equity in the joint venture. FINE C+ Interactive provides cultural and tourism services, education development industry business and personal financial services.

A joint venture, FINE C+ Entertainment Technology (Hangzhou) Limited (乐享未来娱乐科技(杭州)有限公司) (“FINE C+ Entertainment”) was incorporated on December 22, 2021 under the laws of the PRC. FINE C+ Interactive and the Company’s business partner, Shuzhiyun, who signed an agreement with the Company to vote in concert, own 35% and 35%, respectively, of its interest. Harvest Horn (Beijing) Marketing Co., Ltd. (“Harvest Horn”) owns the remaining 30% equity in the joint venture. FINE C+ Entertainment provides theme park designing service

As of the date of this report, the Company has not paid for this investment of RMB 2,000,000 (approximately \$313,844).

Dispositions of China Roan Industrial-Financial Holdings Group Co., Ltd. and subsidiaries

Prior to September 30, 2020, Feng Hui Ding Xin (Beijing) Financial Consulting Co., Ltd. (“Ding Xin”) was a wholly-owned subsidiary of Roan HK licensed to provide financial advisory services, and its Urumqi branch office primarily provided financial services to third-party direct lending companies in Xingjiang. Zhiyuan Commercial Factoring (Guangzhou) Co., Ltd. (“Zhiyuan”) was a 99%-owned subsidiary of Ding Xin which had engaged in business factoring program, financing products design, related corporate financing solutions, investments and asset management.

Due to the slowdown of the Chinese economy and policy changes related to loans to MSMEs, the direct loan business to MSMEs became difficult in China and the Company determined to exit that business. On September 30, 2020, Roan HK entered into an agreement (the “Agreement”) with Urumqi Fengxunhui Management Consulting Co., Ltd. (“Fengxunhui” or the “Purchaser”), pursuant to which Roan HK transferred 100% of the equity of Ding Xin, including Ding Xin’s interests in its Urumqi branch office and Zhiyuan, in exchange for a total consideration of approximately \$15,326 (RMB 100,000). As a result of the disposition, the Company no longer conducted direct loan business. When Roan HK was disposed on September 30, 2021, the purchase price had not been paid.

Xinjiang Xin Quan Financial Leasing Co., Ltd. (“Xin Quan”) was a 60%-owned subsidiary of Roan HK engaged in financial leasing service before its dissolution on April 28, 2021. During the 2020 fiscal year, Xin Quan ceased its operations.

On September 17, 2021, the Company signed an equity transfer agreement to sell 100% of the equity interest it held in Roan HK, a holding company that has no business operations, to Yuanjia Asset Management Co. Ltd. (“Yuanjia”), a BVI company, for a total of approximately \$282 (HK\$2,200). The transaction was closed on September 30, 2021. The net assets of Roan HK were negative \$492,495 as of September 30, 2021, resulting in a gain on deconsolidation of \$492,777 and other comprehensive loss of \$2,494. Roan HK’s subsidiary, Jing Kai was disposed at the same time.

Lixin Financial Holdings Group Limited and Subsidiaries

Lixin Financial Holdings Group Limited (“Lixin Cayman”) was established on October 25, 2017 under the laws of the Cayman Islands as an exempt company. It is a holding company and does not have substantial operations. It conducts its business through its direct and indirect subsidiaries.

In January 2019, the Company acquired 1% of the equity interest in Zhejiang Lixin (defined below) for RMB 2,858,600. On June 14, 2019, the Company entered into a Share Purchase Agreement (the “SPA”) with Lixin Cayman and certain shareholders of Lixin Cayman to acquire a controlling interest in Lixin Cayman. Pursuant to the SPA, the Company acquired a 65.0177% interest in Lixin Cayman from its selling shareholders in exchange for ordinary shares of the Company to be issued to the selling shareholders for a total value of RMB 276.00 million (later adjusted to \$31.09 million (RMB 217.88 million) (“Lixin Acquisition”). On August 23, 2019, the parties entered into a supplementary agreement to amend the form of payment of the purchase price. Pursuant to the supplementary agreement, Lixin shareholders agreed to receive non-voting preferred shares that will have the right to be converted into common shares after two years from the closing date of the acquisition. The transaction was closed on December 20, 2019 upon the Company’s issuance of 291,795,150 Class B convertible preferred shares to the selling shareholders. These convertible preferred shares are embedded with liquidation preference and dividend preference but with no voting rights. Following the second anniversary of the closing date, preferred shares may be convertible to the equal number of ordinary shares or can be redeemed at a conversion price calculated at the average closing price per share for ninety consecutive trading days before the conversion date. On December 22, 2021, the Board of Directors passed the resolution which changed 2 years to 30 months. As of the date of this report, there was no shares redeemed or converted.

Lixin Cayman, through its subsidiaries, provides a wide range of financing solutions and related peripheral services, including financial leasing, commercial factoring, private funding, guarantee and supply chain management, to individuals and MSMEs in the Yangtze River Delta Region of China. Lixin Cayman conducts its business through the following direct and indirect subsidiaries.

Lixin Financial Holdings (BVI) Limited (“Lixin BVI”) is a wholly-owned subsidiary of Lixin Cayman. It was established on November 29, 2017 under the laws of the BVI as a company limited by shares. It is a holding company and does not have business operations.

Lixin Financial Holdings Group Limited (励信金融控股集团有限公司) (“Lixin HK”) was established on January 15, 2018 under the laws of Hong Kong as a wholly-owned subsidiary of Lixin BVI. It is a holding company and does not have business operations.

Zhejiang Lixin Enterprise Management Holding Group Co., Ltd. (浙江励信企业管理集团有限公司) (“Zhejiang Lixin”) was incorporated on July 3, 2015 under the laws of the PRC. Lixin HK owns 99% of Zhejiang Lixin equity interest and Fortis owns the remaining 1%. Following its reorganization completed in 2018, it became the controlling shareholder of Zhejiang Jingyuxin (discussed below). It is a financial service company providing comprehensive financial solutions and services including guarantee services and related assessment and management services.

Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd. (浙江京虞信融资担保有限公司) (“Zhejiang Jingyuxin”) was incorporated on January 5, 2013 under the laws of the PRC. Zhejiang Lixin owns 93.4% of Zhejiang Jingyuxin equity interest, with the remaining 6.6% interest owned by an unrelated third party individual. It provides guarantee services and related assessment and management services.

Lixin (Hangzhou) Asset Management Co., Ltd. (励信(杭州)资产管理有限公司) (“LAM”) is a wholly-owned subsidiary of Zhejiang Jingyuxin. It was incorporated on March 21, 2017 under the laws of the PRC. LAM provides consulting and assessment services to customers and facilitates financial guarantee services between customers and guarantors.

Lixin Supply Chain Management (Tianjin) Co., Ltd. (励信供应链管理(天津)有限公司) (“Lixin Supply Chain”) is a wholly-owned subsidiary of LAM. It was incorporated on December 19, 2017 under the laws of the PRC and its principal business is providing supply chain management services.

B. Business Overview

Our Business

We are a financial, insurance and healthcare related solutions company serving individuals and micro-, small- and medium-sized enterprises (“MSMEs”) in China. In 2021, the Company expanded its business to provide industrial operation services based on the Company’s past experience, capability, customer resources, market channels, relationships with institutional organizations and government relations.

Our business has experienced substantial changes in the recent years. Following our business combination with Adrie, the original China Lending Group was a PRC-based group of companies specializing in providing loan facilities to MSMEs and sole proprietors in Xinjiang. Due to the slowdown of the Chinese economy and policy changes related to loans to MSMEs, since 2018, we have adjusted our business models and substantially reduced direct loan business starting in 2018 and didn’t renew any pre-existing loans in 2019. In September 2020, we disposed the direct lending business from the company.

In 2019, the Company acquired a 65.0177% interest in Lixin Financial Holdings Group Limited (“Lixin Cayman”), through its subsidiaries, provides a wide range of financing solutions and related peripheral services, including financial management, assessment and consulting services, debt collecting services, and financial guarantee services to individuals and MSMEs in China. After the Lixin Acquisition closed in December 2019, our customers were MSMEs and individual proprietors located in Zhejiang Province and Guangdong Province. Those customers were involved in the commerce and service, real estate, technology promotion and application services, construction, finance, wholesale and retail and other industries.

For the year ended December 31, 2021, the Company conducted management and assessment services, financial guarantee, financial consulting business, healthcare service and industrial operation services.

As of December 31, 2021, the Company had cash balance of \$1,947,142 and a positive working capital of \$51,940,172. In addition to the cash balance, the working capital was mainly comprised of restricted cash of \$29,693,689, accounts receivable of \$6,929,529, loan receivable due from third parties of \$23,751,471 and other receivables of \$656,835. The balances of these assets are expected to be repaid on maturity dates and will also be used for working capital.

COVID-19 Impact Update

In December 2019, a novel strain of coronavirus (COVID-19) was first identified in China and has since spread rapidly globally and resulted in new variants. The outbreak of COVID-19 has resulted in quarantines, travel restrictions, and the temporary closure of offices and business facilities globally. In March 2020, the World Health Organization declared the COVID-19 a pandemic. In 2020 and 2021, COVID-19 had a material impact on our business, financial condition, and results of operations, including, but not limited to, the following:

- We temporarily closed our offices from late January to March 2020, as required by relevant PRC regulatory authorities. Our offices were subsequently reopened pursuant to local guidelines. In the first half of 2020, the pandemic caused disruptions in our operations, which resulted in delays in our services to certain of our customers.
- Our customers were negatively impacted by the pandemic, which reduced the demand for our services. As a result, our revenue and income were negatively impacted in the first half of 2020.
- In December 2021, Shangyu District, Shaoxing City, Zhejiang Province, where the subsidiary company Zhejiang Jingyuxin Financing Guarantee Co., Ltd. is located, was closed and suspended due to the epidemic, resulting in delays in our services to some customers. After the lockdown was lifted on December 31, 2021, operations resumed.

After the second quarter of 2020, the COVID outbreak in China was gradually controlled. Our business initially returned to normal operations, although management assessed that our results of operations had been negatively impacted for the year. In 2021, Omicron variants emerged, resulting in continued disruption to our business and the global economy and supply chain. COVID-19 could continue to adversely affect our business and results of operations in 2022 if any COVID resurgence causes significant disruptions to our operations or the business of our customers, logistics and service providers. If any new outbreak of COVID-19 is not effectively and timely controlled, or if government responses to outbreaks or potential outbreaks are severe or long-lasting, our business operations and financial condition may be materially and adversely affected as a result of the deteriorating market outlook, the slowdown in regional and national economic growth, weakened liquidity and financial condition of our customers or other factors that we cannot foresee. Any of these factors and other factors beyond our control could have a material adverse effect on the overall business environment, cause uncertainties in the regions where we conduct business, and could materially and adversely impact our business, financial condition and results of operations.

Our Major Services

The followings are the major services and products provided by the Company during fiscal year 2021:

1. Loans to third parties

Zhejiang Lixin, LAM, Hangzhou Zeshi and Yi Fu provide loans to third parties and charge a fixed rate interest on the loans. The Company recorded interest on third parties loans of \$2,113,918, and \$2,131,447 for fiscal year 2021 and 2020, respectively.

2. Guarantee and consulting services: financial and non-financial

(1) Guarantee services: financial and non-financial

These services are mainly conducted by Zhejiang Jingyuxin. Zhejiang Jingyuxin received the commissions from guarantee services either in full at inception or in instalments during the guarantee period. Its guarantee services are divided into financial guarantee and non-financial guarantee.

Financial guarantee service contracts provide guarantees which protect the holder of a debt obligation against default in the financing process. Pursuant to such guarantee, the Company makes payments if the obligor responsible for making payments fails to do so as scheduled. The contract amounts reflect the extent of involvement Zhejiang Jingyuxin has in the guarantee transaction and also represent the Company's maximum exposure to credit loss in its guarantee business.

To mitigate the potential credit risks exposure to the financial guarantee services, Zhejiang Jingyuxin requires the guarantee service customers to make a deposit to Zhejiang Jingyuxin of the same amount as the deposit Zhejiang Jingyuxin pledged to the banks for their loans if the customer does not pledge or collateralize other assets with Zhejiang Jingyuxin. The deposit is returned to the customer after the customer repays the bank loan and the Zhejiang Jingyuxin's guarantee obligation expires.

In addition, Zhejiang Jingyuxin also provides non-financial guarantee services to clients by giving credit guarantee. It is used to improve the contract enforcement. This business includes litigation preservation guarantee, bid guarantee, project performance guarantee and other contract performance business. This is not its key business and it does not take the core resources. It has lower risks.

(2) Consulting services for financial guarantee customers

Zhejiang Lixin provided financial consulting services to financial guarantee customers. Pursuant to the contracts with customers, Zhejiang Lixin facilitated financial guarantee services between customers and financial guarantors, and charged referral fees at a fixed amount. The performance obligations are completed and control of the service is transferred at the inception of financial guarantee period. Transaction prices are generally paid upon successful facilitation.

The Company recorded commission and fee income on guarantee services of \$399,527 and \$285,606 for fiscal year 2021 and 2020, respectively.

Under the financial guarantee service agreements, banks, other financial institutions and creditors who provide loans to the Company's guarantee service customers, generally require the Company, as the guarantor of the loans, to deposit cash of 10% to 20% of the guaranteed amount into an escrow account which is restricted from use. The Company records interest received on the restricted cash pledged as revenue. The Company recorded interest on restricted cash of \$300,749 and \$348,389 for fiscal year 2021 and 2020, respectively.

3. Management and assessment services

Hangzhou Zeshi and Zhejiang Lixin provided the following management and assessment services for the factoring and direct loan customers:

- 1) Asset management services focused on providing account receivable collection plans, debt collection, due diligence investigation for guaranty, litigation mitigation, and asset preservation and management consultation.
- 2) Financing related services focus on financing plan design and consultation, supply chain transaction participant selection consultation, and financing project due diligence.

Revenue from management and assessment service was \$440,254, \$19,676 for fiscal year 2021 and 2020, respectively.

The company will continuously develop management & assessment services in 2022. Subsidiaries of both Adrie and Lixin Cayman cooperate closely to expand business territories, share business resources of each other and strengthen the Company's competitiveness.

4. Consulting services related to debt collection

Lixin Cayman subsidiaries also provides consulting services relating to debt collection with certain factoring companies. The debt collection services involved commitments of 1) assisting the customers to obtain court judgments on outstanding debt, and the Company recognized revenue over period towards completion of the performance by using input method based on the staff cost incurred, and 2) assisting the customers to receive repayment on outstanding debt, the Company recognized revenues upon collection of outstanding debts. The transaction price is allocated to each performance obligation based on the relative standalone selling prices of the services being provided to the customer.

In fiscal year 2021, our consulting services, especially deb collection related operations, were affected by the pandemic. As a result of the quarantines, office closings and travel restrictions, asset auctions and the enforcement process presided by the courts, asset valuations by valuation companies, and debt collections were disrupted and delayed for some of our customers. Our services to those customers and operating results were adversely impacted by the pandemic related delays.

Revenue from debt collection service was \$206,792 and \$2,108,477 for fiscal year 2021 and 2020, respectively.

5. Industrial operation services

After nearly 10 years of development, the Company's financing service business has served more than 500 companies in various industries, including finance, asset management, supply chain management and financial advisory. This has enabled the Company to better understand the growth of different industries, the policy environment, industrial ecology, development trends, the potential problems in operations and their solutions, capital, government cooperation, market environment and other aspects. The Company has also accumulated a wide range of customers, market resources, financial institutions and capital service resources, and the Company has significant experience in government liaison and cooperation. At the same time, through continuous training of the core management team, development of new business entities and team integration, the Company has been able to set up an experienced management team with experience in international companies, listed companies, and top institutions in the field of science, technology and consumer services.

In 2021, the Company expanded its business to provide industrial operation services based on the Company's past experience, capability, customer resources, market channels, relationships with institutional organizations and government relations.

On December 31, 2021, Hangzhou Zeshi, a wholly-owned subsidiary of the Company, entered into an agreement with ZhongTan Future New Energy Industry Development (Zhejiang) Co., Ltd. ("ZhongTan Future"), which has an advanced international scientific and technological R&D team in the field of new energy and semiconductor materials for the marketing and growth of these products. Pursuant to the agreement, Hangzhou Zeshi will provide supply chain financial services, financial leasing services and industrial operation services, etc. Revenue of \$146,245 was recognized during the year ended December 31, 2021 after the target customer was located, due diligence and initial negotiation was completed and requirements of ZhongTan Future were met.

6. Health management, health insurance and other health related services

In 2020, the Company began and expanded the provision of health management, innovation insurance, healthcare and consumer financing services to the employees of large institutions.

On December 30, 2019, we incorporated Fortis Industrial Group Limited (former name Fortis Health Industrial Group Limited) (“Fortis” or “FIG”), in Hong Kong. On February 28, 2020, we incorporated Zeshi Insurance to conduct insurance technology business. On March 3, 2020, we incorporated Zeshi Health to conduct health management, health big data management, and health information management based on blockchain technology.

During 2020, the Company established long-term partnerships for innovative insurance services, smart health medical services, data mining, and operations with a variety of insurance service partners, medical service partners, and technology and big data partners. The Company also signed several cooperation agreements with its business partners to jointly develop health insurance products and markets for fetal and neonatal congenital heart diseases, middle-aged and older adult cardiovascular and cerebrovascular diseases, stroke and other diseases, newborn deformity insurance

Due to the negative impact of Covid-19 pandemic, many of the Company’s health projects was suspended or delayed. During 2021, the Company continuously improved the accuracy of the algorithm model for the artificial intelligence screening auxiliary system for the diagnose of fetal and neonatal congenital heart disease. The Company also optimized the newborn deformity insurance products for these diseases.

On December 30, 2020, Zehshi Health, the 100% subsidiary of the Company, signed an exclusive distribution agreement with Furuikang to sell Furuikang is a related party with the Company whose shareholder is a beneficial owner of the Company. The products are expected to launch in the second half year of 2022.

On October 14, On June 8, 2021, the Company entered a ten-year cooperation agreement with Furui Health Industry Development (Zhejiang) Co, Ltd. (“Furui Health”) and Furuikang Biomedical Technology (Zhejiang) Co, Ltd. (“Furuikang”) to promote the transformation and industrialization of Furuikang’s technical achievements in tumor adjuvant therapy and postoperative rehabilitation of tumor patients in the Chinese market.

On June 20, 2021, the Company entered a ten-year cooperation agreement with Shuzhiyun Holdings (Beijing) Co., Ltd. (“Shuzhiyun”) to promote the transformation and industrialization of Shuzhiyun’s birth defect screening technology achievements in the Chinese market.

2021, the Company’s subsidiary, Yi Fu signed a cooperation agreement with Shuzhiyun and Shanghai Jingmu Information Technology Co. Ltd. (“Jingmu”), to set up a joint venture to provide online medical consultation and traditional Chinese medicine, FINE C+ Health (Hangzhou) Technology Limited (“FINE C+ Health”). In January 2022, FINE C+ Health obtained the “drug information services on the internet certificate” issued by the State Food and Drug Administration of China and set up the Wechat service application.

Business Strategies

The Company acquired 65.0177% shares of Lixin Cayman in December 2019, which provides financial services and disposed Roan HK in September 2021, which was mainly involved in the direct lending business. They were mainly involved in the direct lending business. The Company now provides various financial services to its MSME customers. The Company will continue focusing on capital advisory services which require less assets, less capital investment and lower-risk.

In 2021, the Company further optimized its strategic planning and business layout based on the Company’s past experience, capability, customer resources, market channels, relationships with institutional organizations and government relations. The Company also completed the restructuring of its operations, established a new management team, optimized the decision-making ability of the board of directors, integrated all resources, and upgraded the businesses services and products to meet the needs for the Company’s future development.

Through continuous optimization and improvement, the Company has combined its industrial capital service experience, resources, and its capabilities to industries which have good growth prospects.

We intend to implement the following three strategies to expand and grow the size of our businesses:

a. Continue to expand our financial services to different regions

We start from Zhejiang Province. Zhejiang Province is the frontline of internet development in China and an economically active area. We are based in Hangzhou, the capital city of Zhejiang and are developing the new business in Zhejiang. We plan to continue to expand our regional coverage. While based upon the Zhejiang market, the Company plans to actively expand to economically developed regions such as the Yangtze River Delta and the Pearl River Delta.

b. Explore opportunities in industrial operation services

We are relying on our advantages in the financial services to expand our industrial operation services. While providing financial services to our customers, our management team has built up managing experience in the fields of different industries. We have also accumulated a wide range of customers, market resources, financial institutions and capital service resources. Management’s experience in customer relationships, government cooperation, the management of resources and their ability to take an innovative approach to products and services have enabled us to provide better solutions and services to our partners, including companies and the government.

We plan to provide industrial operation services to the companies in technology industries with high growth and global market demand and the urban life service industry which is closely related to improving the quality of people’s life. The technology industry focuses on the needs of the local government for industrial economic development and the needs of the companies for the commercialization of leading scientific and technological products in the field of new energy and semiconductors, We believe this will help further develop long-term and sustainable industrial capital service customers and projects.

While firmly focusing on the target industries and maintaining revenue growth, we will share operating income and industry development opportunities through joint ventures and equity participation, and will look for any listing opportunity for any relevant projects in the capital markets.

Through the two strategic business sectors, we have obtained the long-term operating rights for some new technologies, products and services in the fields of new energy, health services, semiconductor, culture and tourism. Our goal is to realize any gains form capital and resource appreciation, and improve revenue and profit sharing from operations

The Company's financial service sales team works closely with other financial institutions to provide financing services to its customers. For loans to third parties, the Company receives monthly interest. For guarantee and consulting services, the Company receives fees and commissions either in full at inception or in instalments during the guarantee period. For the management and assessment services and consulting services related to debt collection, the Company receives instalments service fees based on the project progress and results.

The Company's management team actively explores industrial operation service opportunities while providing financial services to its customers. Through long-term cooperation agreements, the Company locks in close and long-term cooperation with its customer and charges services fees according to project progress and achievements;

The Company sells its health products directly to its customers. The Company plans to sell the products through direct on-line marketing and through off-line sales distributors in the future.

Intellectual Property

We own and have the right to use the domain name "www.roanholdingsgroup.com".

We have registered the following trademarks:

Owner	Trademark	Issuance Entity	Term
Lixin Cayman		Trademark Office of PRC State Administration for Industry and Commerce	March 7, 2019 – March 6, 2029
Lixin HK		HK Trade Marks Registry Intellectual Property Department	February 2, 2018 – February 1, 2028
Zhejiang Jingyuxin		Trademark Office of PRC State Administration for Industry and Commerce	July 28, 2016 – July 27, 2026

Certificates

Our subsidiary Zhejiang Jingyuxin was issued a PRC Financing Guarantee Organization Operation Permit by Zhejiang Commission of Economy and Informatization on May 17, 2016 with a term of five years. We had renewed and received the new permit in September 2021. The permit authorizes Zhejiang Jingyuxin to operate the guarantee business, and related financial consulting and consulting agent business in China.

Competition

The Company faces competition in the financial industry. We believe that the financial industry is becoming more competitive as this industry matures and begins to consolidate, especially under the heavy regulation by policies and macroeconomic downturn. The Company competes with other financial guarantee companies, other financial consulting companies, and some cash-rich state-owned companies or individuals that provide financial services to MSMEs. Some of these competitors have larger and more established customer bases and substantially greater financial, marketing and other resources than we have. As a result, we could lose market share and our revenues could decline, thereby adversely affecting our earnings and potential for growth.

While we plan to achieve a competitive advantage by adopting various business strategies including exploring business in the Internet + Healthcare area, we face the competition from the companies much bigger than us and with a longer history. For example, Ping'an good doctor service offering focuses on online diagnosis, consumption diagnosis, health mall, health management and health interaction. Ali Health started from online medicine, and is building a big health closed loop by developing internet diagnosis, intelligent treatment, consumption diagnosis and source tracking service. Huarun Medicine, as a top medicine enterprise, has strong supply chain and rich client resources and is developing its platform by applying internet technology.

Seasonality

Our main business does not have significant seasonality.

Government Regulation

The Company's operations are subject to extensive and complex state, provincial and local laws, rules and regulations. We are supervised by a variety of provincial and local government authorities, including CBRC, PBOC, local tax bureaus, local Administration for Market Regulation, local Bureau of Finance, local Administration of Foreign Exchange and local employment departments. The areas include Zhejiang Province and Tianjin City.

Summaries of Certain Key PRC Laws

Below are summaries of the material terms of PRC laws applicable to our businesses.

No.	Regulation name	Main regulatory content
1	<i>Civil Code</i>	<p>Article 577 If a party fails to perform its obligations under a contract, or its performance fails to satisfy the terms of the contract, it shall bear the liabilities for breach of contract such as to continue to perform its obligations, to take remedial measures, or to compensate for losses.</p> <p>Article 610. Where the subject matter does not meet quality requirements, and as a result it is impossible to realise the objectives of the contract, the purchaser may refuse to accept the subject matter or may dissolve the contract. Where the buyer refuses to accept the subject matter or rescinds the contract, the risk of damage to or missing of the subject matter shall be borne by the seller.</p>
2	<i>Company Law</i>	<p>Article 6 To establish a company, an application for establishment registration shall be filed with the company registration authority. If the application meets the establishment requirements of this Law, the company registration authority shall register the company as a limited liability company or joint stock limited company. If the application does not meet the establishment requirements of this Law, it shall not be registered as a limited liability company or joint stock limited company.</p> <p>If any law or administrative regulation provides that the establishment of a company shall be subject to approval, and relevant approval formalities shall be gone through prior to the registration of the company.</p> <p>The general public may go to a company registration authority to search and consult the registration information filed by a company and the authority shall provide the research services for the public.</p>
3	<i>Labor Contract Law</i>	<p>Article 4 Employers shall establish and perfect labor bylaws so as to ensure that workers can enjoy labor rights and perform labor obligations.</p> <p>Where employers constitute, modify or determine such bylaws or significant matters in direct relation to the real benefits of workers as the remuneration, working time, rest and vacation, work safety and health care, social insurance and welfare, job training, job discipline or quota management, the draft thereof shall be discussed at the workers' congress or by all the workers, which shall bring forward schemes and opinions. The aforesaid bylaws and significant matters shall be determined after equal consultation by employers and labor union or representatives of workers.</p> <p>During the process of the implementation of the aforesaid bylaws and significant matters, the labor union or the workers is/are entitled to require the employer to modify or improve them through consultations if it/they find them improper.</p> <p>The employers shall publicize the bylaws and significant matters in direct relation to the real benefits of the workers or inform the workers.</p> <p>Article 38 In the case of any of the following circumstances occurring to an employer, workers may discharge the labor contract:</p> <p>(3) It fails to pay social security premiums for the workers according to law;</p> <p>Article 46 In the case of any of the following circumstances, employers shall make an economic compensation to the workers:</p> <p>(1) Any worker discharges the labor contract according to Article 38 of this Law;</p>

4	<i>Product Quality Law</i>	Article 43 If damages are done to the person or properties of others due to the defects of products, the victims may claim for compensation either from the producers or sellers. If the responsibility rests with the producers and the compensation is paid by the sellers, the sellers have the right to recover their losses from the producers. If the responsibility rests with the sellers and the compensation is paid by the producers, the producers have the right to recover their losses.
5	<i>Foreign Investment Law</i>	<p>Article 21 Foreign investors' capital contribution, profits, capital gains, assets disposal income, intellectual property license fees, legally obtained damages or compensation, liquidation proceeds, etc., may be freely remitted to overseas in RMB or foreign exchange according to law.</p> <p>Article 28 Foreign investors shall not invest in the areas where investment is prohibited under the negative list for the admission of foreign investment.</p> <p>Foreign investors shall meet the conditions set forth in the negative list for the admission of foreign investment to invest in the areas where investment is restricted under the negative list.</p> <p>Management of foreign investment in the areas beyond the negative list shall be implemented in accordance with the principle of equality between domestic and foreign investment.</p> <p>Article 34 The State establishes a system for foreign investment information reporting. Foreign investors or foreign-invested enterprises shall submit investment information to the competent commerce departments through the enterprise registration system and the enterprise credit information publicity system.</p> <p>The content and scope of the foreign investment information report shall be determined in accordance with the principle of necessity; the investment information that can be obtained through the inter-department information sharing system shall not be required to be submitted again.</p> <p>Article 36 Where a foreign investor invests in the areas, which are specified by the negative list for the admission of foreign-investment as prohibited areas, the relevant competent department shall order it to stop the investment activities, and dispose of the shares, assets or take other necessary measures within a specified time limit, and retribute to the status before the investment was made; If there is illegal income, it shall be confiscated.</p> <p>Where the investment activities of a foreign investor violates the special management measures for the admission of foreign-investment regarding restricted areas in the negative list, the relevant competent department shall order the correction within a specified time limit and take necessary measures to meet the conditions set forth by the special management measures for the admission of foreign-investment; if no corrections have been made within the time limit, the provisions of the preceding paragraph shall be applied.</p> <p>Where the investment activities of a foreign investor violates the special management measures for the admission of foreign-investment in the negative list, in addition to the provisions of the preceding two paragraphs, it shall also bear corresponding legal liabilities under the law.</p> <p>Article 37 If a foreign investor or a foreign-invested enterprise violates the provisions of this Law and fails to submit investment information in accordance with the requirements of the foreign investment information reporting system, the competent commerce department shall order it to make corrections within a specified time limit; if no corrections have been made within the time limit, a fine of more than 100,000 yuan and less than 500,000 yuan shall be imposed.</p>

<p>6</p> <p><i>Circular of the SAFE on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Return Investment by Domestic Residents</i> (Huifafa No.37 (2014))</p>	<p>XV. If domestic residents or the domestic companies that they control, directly or indirectly, remit capital to SPVs through false or structured transactions, they shall be punished by the SAFE in accordance with Article 39 of the Regulations on Foreign Exchange Administration of the People's Republic of China.</p> <p>Domestic residents who fail to carry out the foreign exchange registration, to truthfully disclose information on the actual controller of the companies that make the round-trip investments, or make false commitments shall be punished by the SAFE in accordance with Paragraph 5 of Article 48 of the Regulations on Foreign Exchange Administration of the People's Republic of China.</p> <p>Domestic residents who fail to carry out the foreign exchange registration, to truthfully disclose information on the actual controller of the companies that make the round-trip investments, or make false commitments but have capital outflows shall be punished by the SAFE in accordance with Article 39 of the Regulations on Foreign Exchange Administration of the People's Republic of China. If these residents have capital inflows or foreign exchange settlements, they shall be punished by the SAFE in accordance with Article 41 of the Regulations on Foreign Exchange Administration of the People's Republic of China.</p> <p>Domestic residents and SPVs that fail to declare the required BOP statistics for cross-border receipts and payments shall be punished by the SAFE in accordance with Paragraph 1 of Article 48 of the Regulations on Foreign Exchange Administration of the People's Republic of China.</p>
<p>7</p> <p><i>Circular on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment</i> (Huifafa No.13 (2015))</p>	<p>II. Simplifying procedures for some transactions of foreign exchange for direct investment</p> <p>(I) Simplifying registration management for confirmation of capital contribution by a foreign investor under domestic direct investment. The registration for confirmation of non-monetary capital contribution by a foreign investor under domestic direct investment and registration for confirmation of capital contribution by a foreign investor for acquisition of a Chinese shareholder's equity are cancelled. The registration for confirmation of monetary contribution by a foreign investor is replaced with registration for accounting entry of monetary contribution for domestic direct investment. If the foreign investor makes capital contributions in cash (including cross-border spot exchange and RMB), the opening bank can handle registration for accounting entry of monetary contribution for domestic direct investment upon receipt of relevant capital funds directly through the capital accounting formation system of the SAFE, and the capital funds can be used only after the registration.</p> <p>(II) Canceling filing of foreign exchange for overseas reinvestment. Foreign exchange filing will no longer be required for overseas reinvestment for establishment of or control over another overseas enterprise by an overseas enterprise established or controlled by a domestic investment entity.</p> <p>(III) Canceling annual check of foreign exchange for direct investment and replacing it with registration for accumulated equity. Data on accumulated equity in domestic direct investment and/or overseas direct investment (collectively, the accumulated equity in direct investment) as at the end of the last year shall be reported through the capital account information system of the SAFE by relevant market entity itself or by an accounting firm or a bank before and on September 30 every year.</p>
<p>8</p> <p><i>Measures for Registration for the Record of Foreign Trade Operators</i></p>	<p>Article 2 Foreign trade operators that engage in the import and export of goods or technology shall handle record filing and registration with the Ministry of Commerce of the People's Republic of China (MOFCOM) or an authority appointed by MOFCOM, except where laws, administrative regulations and MOFCOM stipulate that no record filing or registration is required.</p> <p>If a foreign trade operator fails to handle record filing and registration in accordance with these Procedures, customs shall not carry out the procedures for declaration, and inspection and release of the imports and exports.</p>

9	Guidelines for Business Cooperation between Banking Financial Institutions and Financial Guarantee Companies	<p>Article 9 both parties of banks and financial guarantee companies may agree to carry out business cooperation within the following scope:</p> <p>(1) Financial guarantee business: including loan guarantee, bill acceptance guarantee, letter of credit guarantee and other financial guarantee business;</p> <p>(2) Non-financial guarantee business: including bid guarantee, project performance guarantee, litigation preservation guarantee and other non-financial guarantee business;</p> <p>(3) Other legal compliance business.</p>
10	Regulations on the Supervision and Administration of Medical Devices	<p>Article 40. To engage in medical device business activities, there should be business premises and storage conditions commensurate with the business scale and scope, and a quality management system and personnel.</p> <p>Article 41. For Class II medical device business, the business enterprise shall file with the food and drug regulatory department of the municipal people's government at the districted level and submit the certification materials that it meets the conditions specified in Article 40 of these regulations.</p> <p>Article 45. When purchasing medical devices, the medical device business enterprises and users shall check the qualification of suppliers and the qualification certificates of medical devices, and establish a record system for purchase inspection. The enterprises engaged in wholesale business of class II and class III medical devices and retail business of class III medical devices shall also establish a sales record system. The record items include: (1) name, model, specification and quantity of medical devices, (2) the production batch number, validity period and sales date of medical devices, (3) the name of the production enterprise, (4) the name, address and contact information of the supplier or the buyer, (5) relevant license document number, etc. Purchase inspection records and sales records shall be true and shall be kept within the time limit specified by the Food and Drug administration under the State Council. The State encourages the use of advanced technical means for recording.</p> <p>Article 47. The transportation and storage of medical devices shall meet the requirements of the instructions and labels of medical devices. If there are special requirements for temperature, humidity and other environmental conditions, corresponding measures shall be taken to ensure the safety and effectiveness of medical devices.</p>

Article 55. The medical device business enterprises and users shall not operate or use medical devices that have not been registered in accordance with the law, have no qualification certificates, and have expired, invalid or eliminated.

Article 60 The medical device advertisements shall be true and legal, and shall not contain false, exaggerated or misleading contents.

The medical device advertisement shall be examined and approved by the Food and Drug Administration Department of the People's Government of the province, autonomous region or municipality directly under the central government where the medical device manufacturer or the imported medical device agent is located and the approval document for the medical device advertisement shall be obtained. When the advertisement publisher publishes advertisement for medical device, it shall check the approval document and its authenticity in advance. It shall not publish advertisement for medical device that has not been approved, the authenticity of the approval document has not been verified, or the content of the advertisement is inconsistent with the approval document. The Food and Drug Administration Departments of the People's Governments of provinces, autonomous regions and municipalities directly under the central government shall publish and timely update the approved medical device advertisement catalogue and the approved advertisement content.

The Food and Drug Administration Department of the People's Government at or above the provincial level shall order to suspend the production, sale, import and use of medical devices, and shall not publish advertisements involving the medical devices during the period of suspension.

The measures for the examination of medical device advertisements shall be formulated by the Food and Drug Administration Department of the State Council and Administration Department for Industry and Commerce of the State Council.

Article 62. Medical device manufacturers and users shall monitor the adverse events of the medical devices they produce, operate or use. If any adverse event or suspicious adverse event of medical devices is found, it shall be reported to the technical institution for monitoring adverse events of medical devices in accordance with the provisions of the Food and Drug Administration Department of the State Council.

Article 81. Under any of the following circumstances, the Food and Drug Administration Department of the People's Government at or above the county level shall confiscate the illegal income, the medical devices illegally produced and operated, and the tools, equipment, raw materials and other goods used for illegal production and operation. If the value of medical devices illegally produced and operated is less than RMB 10,000, a fine of not less than RMB 50,000 but not more than RMB 100,000 shall be imposed. If the value of the goods is more than RMB10,000 yuan, a fine of not less than 15 times but not more than 30 times the value of the goods shall be imposed. If the circumstances are serious, the medical device license applications submitted by relevant responsible persons and enterprises will not be accepted within 10 years confiscate the income of the legal representative, the primary person in charge, the directly responsible person in charge, and other liable persons of the illegal entity obtained from the entity during the period of the illegal act, impose a fine of not less than 30% of but not more than 3 times the income obtained, and prohibit them from engaging in production and operation of medical devices for life: (1) Producing or operating class II or class III medical devices without medical device registration certificate, (2) Engaging in the production of class II or class III medical devices without permission, and (3) Engaging in the business activities of class III medical devices without permission. In case of serious circumstances mentioned in the first item of the preceding paragraph, the original license issuing department shall revoke the medical device production license or the medical device operation license.

Article 84 Under any of the following circumstances, the department in charge of drug supervision and administration shall public the name of the entity and its products, and order it to make corrections within a time limit; if the entity fails to take corrective actions within the time limit, its illegal gains and illegally produced and traded medical devices shall be confiscated; impose a fine of not less than RMB 10,000 nor more than RMB 50,000 if the amount of the value of the medical devices produced or distributed in violation of laws is less than RMB 10,000, or impose a fine of not less than five times nor more than 20 times the amount of the value if the amount of the value of medical devices is RMB 10,000 or more; and, if the circumstances are serious, confiscate the income of the legal representative, the primary person in charge, the directly responsible person in charge, and other liable persons of the illegal entity obtained from the entity during the illegal act, impose a fine of not less than 30% of nor more than twice the income obtained, and prohibit them from engaging in production and operation of medical devices within five years:

- (1) Production and operation of unrecorded Class I medical devices;
- (2) Engaging in the production of Class I medical devices without filing;
- (3) The business of Class II medical devices shall be filed but not filed;
- (4) The materials that have been filed fail to meet the requirements.

Article 85 Where any entity provides false materials during filing, the department in charge of drug supervision and administration shall public the name of the entity and its products, and confiscate the illegal income and the medical devices produced or distributed illegally; impose a fine of not less than RMB 20,000 nor more than RMB 50,000 if the amount of the value of the medical devices produced or operated illegal is less than RMB 10,000, or impose a fine of not less than five times nor more than 20 times the amount of the value of the medical devices if the amount of the value of the medical devices is RMB 10,000 or more; and, if the circumstances are serious, it shall be ordered to suspend production and business, confiscate the income of the legal representative, main responsible person, directly responsible person in charge, and other liable persons of the illegal entity obtained from the entity during the illegal act, impose a fine of not less than 30% of nor more than three times the income obtained, and prohibit them from engaging in medical devices production and operation within 10 years.

Article 86. Under any of the following circumstances, the Food and Drug Administration Department of the People's Government at or above the county level shall order the enterprise to make corrections and confiscate the medical devices illegally produced, operated and used. If the value of medical devices illegally produced and operated is less than RMB 10,000, a fine of not less than RMB 20,000 but not more than RMB 50,000 shall be imposed. If the value of the goods is more than RMB 10,000, a fine of not less than 5 times but not more than 20 times the value of the goods shall be imposed. If the circumstances are serious, it shall be ordered to suspend production until the original license issuing department revokes the registration certificate, production license and operation license of medical devices confiscate the income of the legal representative, the primary person in charge, the directly responsible person in charge, and other liable persons of the illegal entity obtained from the entity during the period of the illegal act, impose a fine of not less than 30% of nor more than three times the income obtained, and prohibit them from engaging in production and distribution of medical devices within ten years: (1) Producing, operating or using medical devices that do not meet the mandatory standards or the registered or filed product technical requirements; and (3) Operating or using medical devices without qualification certificate, expired, invalid or eliminated, or using medical devices not registered according to law.

Article 89. Under any of the following circumstances, the department in charge of drug supervision and administration and the health department shall order correction and give a warning according to their respective duties. The enterprise refuse to make corrections shall be fined not less than RMB 10,000 but not more than RMB 100,000. If the circumstances are serious, it shall be ordered to suspend production until the original license issuing department revokes the registration certificate, production license and operation license of medical devices and impose a fine of not less than RMB 10,000 nor more than RMB 30,000 on the legal representative, the primary person in charge, the directly responsible person in charge, and other liable persons of the illegal entity: (4) The enterprise engaged in the wholesale business of the class II or class III of medical devices and the retail business of the class III medical devices fails to establish and implement the sales record system in accordance with the regulations.

Article 97 Anyone who violates the regulations on the administration of medical device advertisements shall be punished in accordance with the provisions of the Advertising Law of the People's Republic of China.

11	Measures for the Supervision and Administration of Medical Device Operation	<p>Article 4. According to the risk degree of medical devices, the operation of medical devices is managed by classification. The operation of class I medical devices does not need making a license and filing. The operation of class II medical devices is subject to filing management, and the operation of class III medical devices is subject to licensing management.</p> <p>Article 7. The enterprise engaging in the business of medical devices shall meet the following conditions: (1) it shall have a quality management organization or quality management personnel suitable for the business scope and scale. And the quality management personnel shall have relevant professional qualifications or professional titles recognized by the state. It shall have business and storage sites suitable for its business scope and scale. (2) It shall have business and storage place suitable for the business scope and scale. (3) It shall have the storage conditions suitable for the business scope and scale. If all the medical devices are entrusted to other medical device business enterprises for storage, the storage room may not be set up. (4) It shall have a quality management system suitable for the medical devices. (5) It shall have the ability of professional guidance, technical training and after-sales service corresponding to the medical devices operation, or agree to provide technical support by relevant institutions. The enterprise engaged in the operation of class III medical devices shall also have a computer information management system that meets the quality management requirements for the operation of medical devices, so as to ensure the traceability of products. Enterprises engaged in the operation of class I and class II medical devices are encouraged to establish computer information management systems that meet the quality management requirements of medical device business.</p> <p>Article 8. For those engaged in the operation of class III medical devices, the enterprise shall apply to the Food and Drug Administration Department of the city divided into districts where it is located, and submit the following materials: (1) Copies of business license. (2) Copies of identification certificate, education or title certificate of legal representative, leading cadres and quality director. (3) Organization and department setting up description. (4) Description of Operation scope and Operation mode. (5) Copies of the geographical location map, plan and house property certificate or lease agreement (with the certificate of the property right of the house attached) of the business place and warehouse. (6) Catalogue of business facilities and equipment. (7) Catalogue of business quality management system, working procedures and other documents. (8) Introduction and function description of computer information management system. (9) Authorization certificate of the operator. and (10) Other supporting materials.</p> <p>Article 12. The enterprises engaged in the business of class II medical devices shall file with the Food and Drug Administration Department of the city divided into districts where it is located, and fill in the business record form of class II medical devices. Meanwhile, it shall submit the materials specified in Article 8 of these measures (except item 8).</p> <p>Article 23. If the enterprise name, legal representative, leading cadres, residence, business place, business mode, business scope, warehouse address and other record items change in the business record certificate of medical devices, the record shall be changed in time.</p> <p>Article 30. Medical device business enterprises shall establish an operation and management system covering the whole process of quality management in accordance with the requirements of medical device operation quality management standards, and make relevant records to ensure that the operation conditions and operation behaviors continue to meet the requirements.</p>
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Article 31. The medical device business enterprise shall bear legal responsibility for the purchase and sale of medical devices undertaken by its offices or sales personnel in the name of the enterprise. Sales personnel of medical device business enterprises selling medical devices shall provide an authorization letter with the official seal of the enterprise. The authorization letter shall specify the type, region, and time limit for authorized sales, and indicate the ID number of the sales personnel.

Article 32. The medical device business enterprise shall establish and implement a record system for purchase inspection. The enterprise engaged in the wholesale business of the class II or class III of medical devices and the retail business of the class III medical devices shall establish the sales record system. Purchase inspection records and sales records shall be true, accurate and complete. For the enterprise engaged in the wholesale business of medical devices, its purchase, storage, and sales records shall meet the traceability requirements. The purchase inspection record and sales record shall be kept for 2 years after the validity period of medical devices. If there is no validity period, it shall not be less than 5 years. Purchase inspection records and sales records of implantable medical devices shall be kept permanently. Other medical device enterprises shall be encouraged to establish a sales record system.

Article 33. The medical device business enterprises shall purchase medical devices from qualified manufacturing enterprises or trading enterprises. The medical device business enterprise shall agree on the quality responsibility and after-sales service responsibility with the supplier to ensure the safe use of the medical device after-sales. The medical device business enterprise that has agreed with the supplier or the corresponding organization to be responsible for product installation, maintenance, and technical training services may not have a department for technical training and after-sales service, but shall have corresponding management personnel.

Article 34. The medical device business enterprise shall take effective measures to ensure that the transportation and storage of medical devices meet the requirements of medical device instructions or labels, and make corresponding records to ensure the quality and safety of medical devices. If the instructions and labels require low temperature and cold storage, it shall be transported and stored with low temperature and cold storage facilities and equipment in accordance with relevant regulations.

Article 35. If the medical device business enterprise entrusts other carriers to transport the medical devices, it shall conduct an assessment of the carrier's quality assurance ability to transport medical devices, clarify the quality responsibility in the process of transportation, and ensure the quality and safety in the process of transportation.

Article 36. If the medical device business enterprise provides storage and distribution services for other medical device production and business enterprises, it shall sign a written agreement with the entrusting party to clarify the rights and obligations of both parties. It shall also have equipment and facilities suitable for the conditions and scale of product storage and distribution, and a computer information management platform and technical means to carry out real-time electronic data exchange with the entrusting party and realize the traceability of the whole process of product operation.

Article 37. The business enterprise engaged in wholesale business of medical devices shall sell them to qualified business enterprises or users.

Article 38. The medical device business enterprise shall be equipped with full-time or part-time personnel responsible for after-sales management. The quality problems of the customer complaints shall be identified. And it shall be take effective measures to deal with and feedback in time, and make records. If necessary, the supplier and medical device manufacturer shall be informed.

Article 53. Under any of the following circumstances, the Food and Drug Administration Department at or above the county level shall order the enterprise to make corrections within a time limit and give a warning. If the enterprise refuses to make corrections, it shall be fined not less than RMB 5,000 but not more than RMB 20,000: (1) The medical device business enterprise fails to change the registration items in accordance with the measures. (2) The medical device business enterprise sends sales personnel to sell medical devices, but fails to provide authorization letters in accordance with the requirements of the measures. (3) The class III medical device business enterprise fails to submit the annual self-inspection report to the Food and Drug Administration Department before the end of each year.

Article 54. Under any of the following circumstances, the Food and Drug Administration Department at or above the county level shall order the enterprise to make corrections. And the enterprise shall be fined not less than RMB 10,000 but not more than RMB 30,000: (1) The operating conditions of the medical device business enterprise have changed, no longer meet the requirements of the medical device business quality management standards, and the rectification has not been carried out in accordance with the provisions. (2) The medical device business enterprise changes the business site or warehouse address, expands the business scope or establishes the warehouse without authorization. (3) The business enterprise engaged in the wholesale business of medical devices sells product to an unqualified business enterprise or user. (4) The medical device business enterprise purchases medical devices from an unqualified production or business enterprise.

Article 55. If the enterprise engages in the business activities of medical devices without permission, or fails to renew the medical device operating license and continue to engage in medical device business after the expiry of the validity period, it shall be punished in accordance with Article 63 of the regulations on the supervision and administration of medical devices.

Article 58. If the enterprise fails to file or provides false information in accordance with the measures, it shall be punished in accordance with Article 65 of the regulations on the supervision and administration of medical devices.

Article 59. Under any of the following circumstances, the Food and Drug Administration Department at or above the county level shall order the enterprise to make corrections within a time limit, and punish the enterprise in accordance with Article 66 of the regulations on the supervision and administration of medical devices: (1) The enterprise operates medical devices that do not meet the mandatory standards or meet the technical requirements of the products registered or filed. (2) The enterprise operates medical devices that are qualified, expired, invalid or eliminated. (3) The enterprise still refuses to stop the operation of medical devices after being ordered to stop operation by the Food and Drug Administration Department.

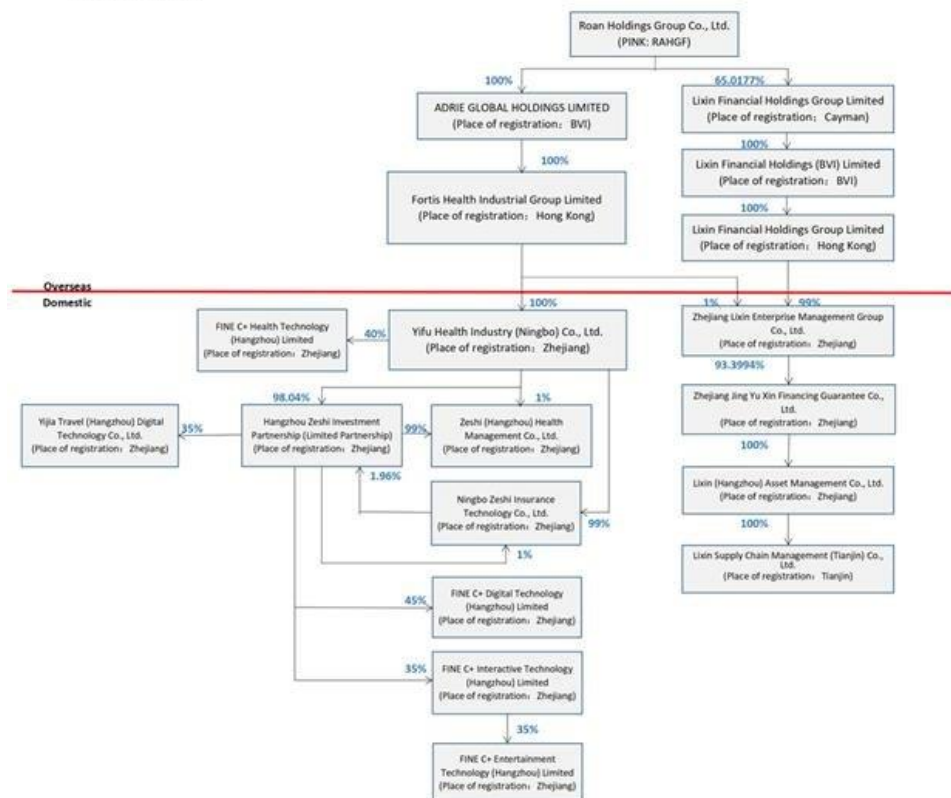
Article 60. Under any of the following circumstances, the Food and Drug Administration Department at or above the county level shall order the enterprise to make corrections, and punish the enterprise in accordance with Article 67 of the regulations on the supervision and administration of medical devices: (1) The instructions and labels of the medical devices are not in conformity with the relevant provisions. (2) Failing to transport and store the medical device according to the requirements of the instructions and labels of the medical device.

Article 61. Under any of the following circumstances, the Food and Drug Administration Department at or above the county level shall order the enterprise to make corrections, and punish the enterprise in accordance with Article 68 of the regulations on the supervision and administration of medical devices: (1) The business enterprise fails to establish and implement the record system for the purchase inspection of medical devices in accordance with the provisions of the measures. (2) The business enterprise engages in the wholesale business of the class II or class III of medical devices and the retail business of the class III medical devices fail to establish and implement the sales record system in accordance with the measures.

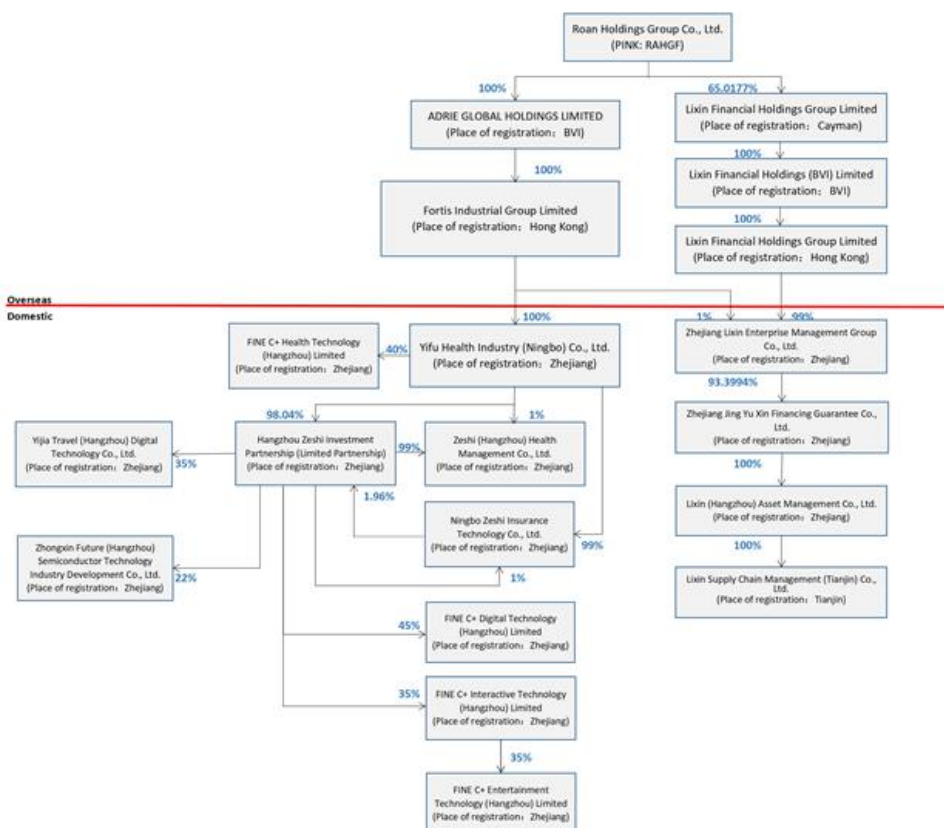
C. Organizational Structure

The following is an organizational chart setting forth our corporate structure as of December 31, 2021 and as of the date of this report:

Roan Holdings Group Co., Ltd. Organization Diagram
As at December 31, 2021



Roan Holdings Group Co., Ltd. Organization Diagram
As at April 22, 2022



The following table lists the major holders of our Ordinary Shares:

Record Holder	Ownership Percentage	Beneficial Owner*	Beneficial Ownership in Record Holder
1 Ruiheng Global Limited	24.7590%	Yuan Shen	40.637%
2 Yangwei Global Limited	13.7746%	Qian Li	87.291%
3 Jiyi Global Investments Limited	8.0453%	Qian Li	75.05%
4 Zhan Zhao Limited	5.0927%		

* Beneficial owners of 30% or more of applicable record holders, where record holder is not an individual.

D. Property, Plants and Equipment

A summary of our leased properties as of the date of this report is shown below:

Subsidiary Name	City	Address	Size (m ²)	Usage	Term
LAM	Hangzhou, Zhejiang	First floor of No. 147 Ganshui lane, Shangcheng District	330.60	Office	April 1, 2022-March 31, 2023
LAM	Hangzhou, Zhejiang	Room 802, Unit 1, Building 5, Puyuewan, Binjiang District	88.59	Staff Apartment	July 15, 2021-July 14, 2022
LAM	Hangzhou, Zhejiang	Hangzhou Poly NPUB Qianjiang New Town United Community, Building 11, Intersection of Tonggu Road and Wenchao Road, Hangzhou		Staff Apartment	August 15, 2021-August 14, 2022
Zhejiang Jingyuxin	Shaoxing, Zhejiang	48th floor of Baiguan Square, Baiguan Street	1,700	Office	May 1, 2020-April 30, 2022
Zhesi Health	Hangzhou, Zhejiang	First floor of No. 147 Ganshui Lane, Shangcheng District	148.78	Office	April 1, 2022-March 31, 2023

The Company does not have any plants, but has office equipment in each office.

We believe that the facilities that we currently lease are adequate to meet our needs for the foreseeable future and we will be able to obtain adequate facilities, principally through leasing of additional properties, to accommodate our future expansions when needed.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” or in other parts of this annual report on Form 20-F.

A. Operating results

Overview

Roan Holdings Group Co., Ltd. (formerly known as China Lending Corporation or DT Asia Investments Limited) (“Roan”, or the “Company”) is a holding company incorporated on April 8, 2014, under the laws of the British Virgin Islands. The Company historically engaged in providing loan facilities to individuals, micro, small and medium-sized enterprises (“MSMEs”) and sole proprietors in the Xinjiang province in China. Due to the slowdown of the Chinese economy and policy changes related to loans to MSMEs, the Company has transformed its business from a direct loan business, to a financial, insurance and healthcare related solutions company serving MSMEs in China. The Company also provides health management, asset management, insurance services, healthcare and consumer financing services to the employees of large institutions.

In 2019, the Company acquired a 65.0177% interest in Lixin Financial Holdings Group Limited (“Lixin Cayman”), through its subsidiaries, provides a wide range of financing solutions and related peripheral services, including financial management, assessment and consulting services, debt collecting services, and financial guarantee services to individuals and MSMEs in China.

In 2020, the Company began and expanded its services in the health industry. The Company plans to provide a variety of health care related services, including health management, health big data management, and health information management based on blockchain technology, innovation insurance, health products and healthcare services. Due to the negative impact of Covid-19 pandemic, many of the Company’s health projects was suspended or delayed.

In 2021, the Company expanded its business to provide industrial operation services based on the Company’s past experience, capability, customer resources, market channels, relationships with institutional organizations and government relations.

On December 31, 2021, Hangzhou Zeshi Investment Partnership (Limited Partnership) (“Hangzhou Zeshi”), a wholly-owned subsidiary of the Company, entered into an agreement with ZhongTan Future New Energy Industry Development (Zhejiang) Co., Ltd. (“ZhongTan Future”). Pursuant to the agreement, Hangzhou Zeshi will provide supply chain financial services, financial leasing services and industrial operation services, etc.

Among the Company’s subsidiaries, Zhejiang Lixin Enterprise Management Holding Group Co., Ltd. (浙江励信企业管理集团有限公司) (“Zhejiang Lixin”), Lixin (Hangzhou) Asset Management Co., Ltd. (励信(杭州)资产管理有限公司) (“LAM”) and Hangzhou Zeshi Investment Partnership (Limited Partnership) (杭州泽时投资合伙企业(有限合伙)) (“Hangzhou Zeshi”) are financial service companies, which provide comprehensive financial solutions and services including financial consulting services, consulting services relating to debt collection, management and assessment and financial guarantee services.

Financial Consulting Services

The Company provides financial consulting services to its customers who have financing needs. The Company designs financing plans for its customers, facilitates the financing services between customers and financing providers, and charges a fixed referral fee for its services.

For the year ended December 31, 2021, 2020 and 2019, the Company generated \$nil, \$nil and \$9,503 in consulting services for financial guarantee customers.

Consulting services relating to debt collection

The Company provides consulting services relating to debt collection to its customers. The debt collection services involved commitments of 1) assisting the customers to obtain court judgments on outstanding debt, and 2) assisting the customers to receive repayment on outstanding debt.

For the year ended December 31, 2021 and 2020, the Company generated consulting services relating to debt collections of \$206,792 and \$ 2,108,477. For the period from the closing of Lixin Acquisition on December 20, 2019 to December 31, 2019, the Company generated consulting services relating to debt collections of \$176,984 through Lixin.

In addition, the Company's another subsidiary, Hangzhou Zeshi Investment Partnership (Limited Partnership) ("Hangzhou Zeshi") was involved in consulting service relating to debt collection with one factoring company. The debt collection service involved one performance obligation which is to assist the customer to receive repayment on outstanding debt, and the Company recognized revenues upon completion of the performance obligation. For the year ended December 31, 2021, 2020 and 2019, Hangzhou Zeshi recognized revenue of \$nil, \$nil and \$316,795 respectively.

Management and assessment services

The Company commenced its management and assessment services in December 2018. The Company provided management and assessment services during the loan period to its customers who borrowed direct loans from the Company.

- 1) Asset management services focus on providing account receivable collection plans, collection, investigation on assets such as guaranty, assisting litigation mitigation, process assets and asset supervision;
- 2) Financing services focus on designing financing plans, recommending fund sources and assisting funds to arrange project due diligence; and
- 3) Factoring business focuses on financing invoices from businesses that have cash flow problems due to slow-paying customers. The client gets immediate funds for the receivable. We hold the invoice and make certain profit when the invoice is paid by the clients' customers. In this process, we also provide related services such as assessing the buyers' credit risks.

For the years ended December 31, 2021, 2020 and 2019, we provided management and assessment services to four customers, generating revenues of \$440,254, \$19,676, and \$135,938, respectively. Revenue for the year ended December 31, 2020, were mainly for the contracts obtained in 2019 which were recognized during fiscal year 2020. In the year ended December 31, 2021, we entered into some new contracts with our customers and the revenue increased as compared to the previous year.

Financial guarantee services

The Company's subsidiary, Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd. (浙江京虞信融资担保有限公司) ("Zhejiang Jingyuxin"), which the Company owns 93.4% of the equity, provides financial guarantee services to its customers.

The Company receives financial guarantee commission by providing a financial guarantee service to customers. Pursuant to the financial guarantee service contracts, the Company is obligated to make payments if the customers fail to make payments to financial institutions as scheduled. Accordingly, the financial institutions providing capital to customers and will claim the defaulted amount against the Company if any customer default occurs. The contract amounts reflect the extent of credit losses to which the Company is exposed.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures including due-diligence visits and post-lending visits to the clients. The Company manages credit risk through in-house research and analysis of the Chinese economy, the underlying obligors and transaction structures. To minimize credit risk, the Company requires collaterals in the form of cash or pledges of securities or property and equipment.

As part of its financial guarantee services, the Company provides loan guarantees. The customer's cash deposits or other assets are held as collaterals for the repayment of each loan. As of December 31, 2021 and 2020, the amount of outstanding loans and related interest that the Company has guaranteed was approximately \$47,020,055 and \$51,318,310, respectively.

The Company generated financial guarantee commissions of \$456,944 and \$375,471 for December 31, 2021 and 2020, respectively. For the period from acquisition of Lixin on December 20, 2019 to December 31, 2019, the Company generated financial guarantee commission of \$8,797.

Revenue from Interest and fees

Zhejiang Lixin, LAM, Hangzhou Zeshi, Zeshi Insurance and Yi Fu provide loans to third parties and charge a fixed rate interest on the loans. For the year ended December 31, 2021, 2020 and 2019, the Company recorded interest on third parties loans of \$2,113,918, \$2,131,447, and 34,707, respectively.

Under the financial guarantee service agreements, banks, other financial institutions and creditors who provide loans to the Company's guarantee service customers, generally require the Company, as the guarantor of the loans, to deposit cash of 10% to 20% of the guaranteed amount into an escrow account which is restricted from use. The Company records interest received on the restricted cash pledged as revenue. For the year ended December 31, 2021, 2020 and 2019, the Company recorded interest on restricted cash of \$300,749, \$348,389, and \$64,636, respectively.

Prior to September 30, 2020, through Feng Hui Ding Xin (Beijing) Financial Consulting Co., Ltd. ("Ding Xin"), which was sold on September 30, 2020, we also entered into financing arrangements with our customers through Zhiyuan Commercial Factoring (Guangzhou) Co., Ltd. ("Zhiyuan"), which is engaged in business factoring program. We earned interest income from these financing arrangements. For the years ended December 31, 2020 and 2019, we earned interest income from factoring programs of \$nil and \$2,782,332.

Healthcare service packages

On December 30, 2019, the Company incorporated Fortis Health Industrial Group Limited (former name Fortis Health Industrial Group Limited) ("Fortis" or "FIG"), in Hong Kong. On February 28, 2020, the Company incorporated Zeshi Insurance to conduct insurance technology business. On March 3, 2020, the Company incorporated Zeshi Health to conduct health management, health big data management, and health information management based on blockchain technology.

In April 2020, the Company officially launched a one-stop internet insurance and health care service platform after nearly eight months of preparation and systems development. The platform aims to provide modern households with one-stop systematic "customized insurance + health management + family doctor + home medical testing" health management service solutions. This platform will enable households and employees of medium to large-sized enterprises to access cost-effective, customized health care and insurance solutions, customized insurance products, as well as data management and operational services.

In July 2020, the Company changed the principal business operations of Ningbo Ding Tai Financial Leasing Co., Ltd. in order to expand and enhance its services in the health industry in Zhejiang Province and renamed it Yifu Health Industry (Ningbo) Co., Ltd.

The Company has established long-term partnerships for innovative insurance services, smart health medical services, data mining, and operations with a variety of insurance service partners, medical service partners, and technology and big data partners.

The Company had initially planned to officially launch our newborn deformity diagnosis and treatment insurance project at the end of 2020 or early 2021. Due to a COVID outbreak in Hebei province in early 2021, the project was temporarily suspended. The revenue generated from the health care service was minimal during the year ended December 30, 2021 and 2020.

Industrial operation services

In the year ended December 31, 2021, the Company began to provide industrial operations services to its customers, which includes transformation, incubation and commercialization of scientific and technological achievements; investment and development of projects for new technology, products and related operating service.

On December 31, 2021, Hangzhou Zeshi investment partnership (Limited Partnership) (“Hangzhou Zeshi”), a wholly-owned subsidiary of the Company, entered into an agreement with ZhongTan Future New Energy Industry Development (Zhejiang) Co., Ltd. (“ZhongTan Future”). Pursuant to the agreement, Hangzhou Zeshi will provide supply chain financial services, financial leasing services and industrial operation services, etc. Revenue of \$146,245 was recognized during the year ended December 31, 2021 after the target customer was located, due diligence and initial negotiation was completed and requirements of ZhongTan Future were met.

COVID-19 Impact

Our business operations have been affected and may continue to be affected by the ongoing COVID-19 pandemic. After the second quarter of 2020, the COVID outbreak in China was gradually controlled. Our business initially returned to normal operations, although management assessed that our results of operations had been negatively impacted for the year. In 2021, Omicron variants emerged, resulting in continued disruption to our business and the global economy and supply chain. If any new outbreak of COVID-19 is not effectively and timely controlled, or if government responses to outbreaks or potential outbreaks are severe or long-lasting, it could negatively affect the execution of customer contracts, the collection of customer payments, or disrupt our supply chain, and the continued uncertainties associated with COVID 19 may cause our revenue and cash flows to underperform in the next 12 months. The extent of the future impact of the COVID-19 pandemic on our business and results of operations is still uncertain.

Recent developments

Dispositions of China Roan Industrial-Financial Holdings Group Co., Ltd. and subsidiaries

On September 17, 2021, the Company signed an equity transfer agreement to sell 100% of the equity interest it held in Roan HK, a holding company that has no business operations, to Yuanjia Asset Management Co. Ltd. (“Yuanjia”), a BVI company, for a total of approximately \$282 (HK\$2,200). The transaction was closed on September 30, 2021. The net assets of Roan HK were negative \$492,495 as of September 30, 2021, resulting in a gain on deconsolidation of \$492,777 and other comprehensive loss of \$2,494. Roan HK’s subsidiary, Jing Kai was disposed at the same time.

Setup of joint ventures

On July 27, 2021, the Company signed a cooperation agreement with Beijing Auvgo International Travel Technology Co. Ltd. (“Auvgo International”), to form a joint venture, Yijia Travel (Hangzhou) Digital Technology Co. Ltd. (“Yijia Travel”), to jointly develop business travel services. Pursuant to the agreement, the Company and Auvgo International will invest and hold 35% of the equity in the joint venture, respectively, and the Company’s business partner, Shuzhiyun Holdings (Beijing) Co., Ltd. (“Shuzhiyun”), who signed an agreement with the Company to vote in concert, will make capital contributions for the remaining 30% equity in the joint venture.

On September 30, 2021, the Company signed a cooperation agreement with Shenzhen Geile Information Technology Co., Ltd. (“Harvest”, formerly called “Shenzhen Harvest Business Ltd., Co.”), to jointly set up a consumer payment technology joint venture, FINE C+ Digital Technology (Hangzhou) Limited (“FINE C+ Digital”), to offer lifestyle consumer services including cross-platform clearing and settlement services for consumer reward rights and interests. Pursuant to the agreement, the Company and Harvest will invest and hold 45% and 25% of the equity in the joint venture, respectively, and the Company’s business partner, Shuzhiyun, who signed an agreement with the Company to vote in concert, will make capital contributions for the remaining 30% equity in the joint venture.

On October 14, 2021, the Company’s subsidiary, Yifu Health Industry (Ningbo) Co., Ltd. (“Yi Fu”) signed a cooperation agreement with Shuzhiyun and Shanghai Jingmu Information Technology Co. Ltd. (“Jingmu”), to set up a joint venture to provide online medical consultation and traditional Chinese medicine, FINE C+ Health (Hangzhou) Technology Limited (“FINE C+ Health”). Pursuant to the agreement, Yi Fu and Shuzhiyu will invest and hold 40% and 30% of the equity in the joint venture, respectively, and Jingmu will make capital contributions for the remaining 30% equity in the joint venture. Shuzhiyun signed an agreement with the Company to vote in concert.

On October 18, 2021, the Company signed a cooperation agreement with Flourishing Technology Inc. (“Flourishing”) and media interactive technology experts to set up a joint venture, FINE C+ Interactive Technology (Hangzhou) Limited (“FINE C+ Interactive”), to jointly develop cultural and tourism services, education development industry business and personal financial services. Pursuant to the agreement, the Company and Flourishing and media interactive technology experts will invest and hold 35% and 51 % of the equity in the joint venture, respectively, and the Company’s business partner, Shuzhiyun, who signed an agreement with the Company to vote in concert, will make capital contributions for the remaining 14% equity in the joint venture.

As of the date of this report, the Company had not paid the investment.

On November 18, 2021, the Company signed a cooperation agreement with Harvest Horn (Beijing) Marketing Co., Ltd. (“Harvest Horn”) to set up an entertainment technology joint venture focusing on the theme park industry. Pursuant to the agreement, the Company’s subsidiary, FINE C+ Interactive and Roan’s partners will hold 70% equity jointly, and Harvest Horn’s subsidiary, Beijing Liuxinghuoyu Technology Co., Ltd. (“Liuxinghuoyu”), will hold the remaining 30% equity. As of the date of this report, the Company has not paid for this investment.

On November 24, 2021, Hangzhou Zeshi Shuzhiyun and another individual set up Hangzhou Future New Energy Enterprise Management Partnership (Limited Partnership) (“Future New Energy”). Hangzhou Zeshi held 1% of the equity of Future New Energy. The registered capital of Future New Energy is RMB 10,000,000 (approximately \$1,569,218). As of the date of this report, Hangzhou Zeshi has not paid for this investment of RMB100,000 (approximately \$15,692).

On December 16, 2021, Hangzhou Zeshi, Future New Energy Partnership (Limited Partnership) and another four unrelated parties set up Zhongtan Future New Energy Industry Development (Zhejiang) Co., Ltd., (“Zhongtan Future”). Hangzhou Zeshi held 2% its equity and Future New Energy held 20% its equity. The registered capital of Zhongtan Future is RMB 100,000,000 (approximately \$15,692,182). As of the date of this report, the Company has not paid for this investment of RMB 2,000,000 (approximately \$313,844).

Key Factors Affecting Our Results of Operation

We have a limited operating history of our current businesses. We commenced management and assessment consulting services in December 2018, and acquired financial guarantee and consulting business in late December 2019. We believe our future success depends on our ability to significantly expand financial market and channels, and apply latest technology related to healthcare big data, artificial intelligence and block chain to the combination of medical and healthcare management and insurance. Our limited operating history makes it difficult to evaluate our business and future prospects. You should consider our future prospects in light of the risks and challenges encountered by a company with a limited operating history in an emerging and rapidly evolving industry. These risks and challenges include, among other things,

- our ability to integrate financial guarantee and financial consulting business;
- our ability to expand financial market and channels, especially in individual financial area services: insurance + consumption finance; and
- our ability to build the insurance technology and health management platform.

In addition, our business requires a significant amount of capital in large part due to needing to continuously grow financial guarantee services, and expand our business in existing markets and to additional markets where we currently do not have operations. We do not know if we will receive the amount of capital needed for our business growth and expansion.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The results of operations in any period are not necessarily indicative of our future trends.

	For the Years Ended December 31,		
	2021	2020	2019
Revenues from services	\$ 793,291	\$ 2,128,153	\$ 639,220
Revenues from healthcare service package	-	55,301	-
Cost of revenues	-	(50,774)	(8,080)
Net revenues of services	793,291	2,132,680	631,140
Commissions and fees on financial guarantee services	456,944	375,471	8,797
Provision for financial guarantee services	(57,417)	(89,865)	(5,008)
Commission and fee income on guarantee services, net	399,527	285,606	3,789
Interest and fees income			
Interest and fees on direct loans	-	-	1,153
Interest income on loans due from third parties	2,113,918	2,131,447	34,707
Interest income from factoring business	-	-	2,782,332
Interest income on deposits with banks	300,749	348,389	64,636
Total interest and fee income	2,414,667	2,479,836	2,882,828
Interest expense			
Interest expenses and fees on secured loans	-	-	(2,218,815)
Net interest income	2,414,667	2,479,836	664,013
Provision for loan losses	-	-	(2,244,601)
Net interest (loss) income after provision for loan losses	2,414,667	2,479,836	(1,580,588)
Operating (loss) income	3,607,485	4,898,122	(945,659)
Total operating expenses			
Salaries and employee surcharge	(1,054,509)	(1,116,482)	(512,314)
Other operating expenses	(2,241,069)	(2,995,098)	(1,385,259)
Changes in fair value of warrant liabilities	(3,021)	5,961	530,863
Total operating expenses	(3,298,599)	(4,105,619)	(1,366,710)
Other income (expenses)			
Deconsolidation gain (loss)	490,283	(1,953,248)	-
Other income (expense)	554,167	76,406	-
Interest income (expenses), net	(267,184)	-	-
Total other expenses	777,266	(1,876,842)	-
Income (loss) before income taxes	1,086,152	(1,084,339)	(2,312,369)
Income tax (expenses) recovery	(328,851)	229,733	(244,741)
Net income (loss) from continuing operations	757,301	(854,606)	(2,557,110)
Net income (loss) from discontinued operations, net of income tax	-	-	26,846,018
Net income (loss)	\$ 757,301	\$ (854,606)	\$ 24,288,908

Year ended December 31, 2021 compared to year ended December 31, 2020

Revenues

Our revenues from services decreased by \$1,334,862 or 63%, from \$2,128,153 for the year ended December 31, 2020, to \$793,291 for the year ended December 31, 2021. The following table sets forth a breakdown of our revenue by services offered for the years ended December 31, 2021 and 2020:

	For the years ended December 31,		Variance	
	2021	2020	Amount	%
Management and assessment services	\$ 440,254	\$ 19,676	\$ 420,578	2138%
Consulting services relating to debt collection	206,792	2,108,477	(1,901,685)	(90)%
Industrial operation services	146,245	-	146,245	100%
Revenues from services	\$ 793,291	\$ 2,128,153	\$ (1,334,862)	(63)%

Management and assessment services

Revenue from management and assessment services was \$440,254 and \$19,676 for the year ended December 31, 2021 and 2020, respectively. Revenue for the year ended December 31, 2020, were mainly for the contracts obtained in 2019 which were recognized during fiscal year 2020. In the year ended December 31, 2021, we entered into some new contracts with our customers and the revenue increased as compared to the previous year.

Consulting services relating to debt collection

The Company provides consulting services relating to debt collection with certain factoring companies, through the subsidiary of Lixin Cayman which were acquired in late December 2019. The debt collection services involved two performance obligations and the service fee for each performance obligation are fixed and reflected the stand-alone selling price. In addition, a collected-amount based incentive is rewarded to the Company upon collection of outstanding debt.

- 1) assisting the customers to get court judgements on outstanding debt, and the Company recognized revenues over the period towards the completion of the performance obligation; and
- 2) assisting the customers to receive repayment on outstanding debt, and the Company recognized revenues upon completion of the performance obligation.

Revenue from consulting services relating to debt collection \$206,792 for the year ended December 31, 2021, a decrease of 1,901,685, or 90%, as compared to and \$2,108,477 for the year ended December 31, 2020, which was mainly due to the negative impact of the COVID pandemic. We had less contracts for debt collection service during the year ended December 31, 2021.

Industrial operation services

On December 31, 2021, Hangzhou Zeshi Investment Partnership (Limited Partnership) ("Hangzhou Zeshi"), a wholly-owned subsidiary of the Company, entered into an agreement with ZhongTan Future New Energy Industry Development (Zhejiang) Co., Ltd. ("ZhongTan Future"). Pursuant to the agreement, Hangzhou Zeshi will provide supply chain financial services, financial leasing services and industrial operation services, etc. Revenue of \$146,245 was recognized during the year ended December 31, 2021 after the target customer was located, due diligence and initial negotiation was completed and requirements of ZhongTan Future were met.

Commissions and fees on financial guarantee services

Commission and fees on financial guarantee services was \$456,944 for the year ended December 31, 2021, an increase of \$81,473, or 22% as compared to \$375,471 for fiscal year 2020, reflecting an increase for business development.

Provision for financial guarantee services

The provisions for financial guarantee services are related to financial guarantee service business as per the requirement of local government. Provisions for financial guarantee services was \$57,417 for the year ended December 31, 2021, as compared to \$89,865 for last fiscal year.

Interest and fees income

Interest and fee income primarily consisted of interest and fee income generated from loans due from third parties. Interest and fee income was \$2,414,667, a decrease of \$65,169, or 3% for the year ended December 31, 2021 as compared to \$2,479,836 for fiscal year 2020. The decrease was mainly due to a decrease of \$17,529 in interest income from loans due from third parties and a decrease of \$47,640 in interest income on deposits with banks.

Operating expenses

Operating expense mainly consisted of salary and employee surcharges, office expenses, travel costs, entertainment expenses, depreciation of equipment, current expected credit losses, write-off of receivables, professional fees and office supplies. Operating expenses in total decreased by \$807,020, or 20% to \$3,298,599 for year ended December 31, 2021 compared to \$4,105,619 for the year ended December 31, 2020. The decrease was primarily attributable by a decrease of \$61,973 in salaries and employee surcharges and a decrease of \$754,029 in other operating expenses. The decreases in both of these expenses were primarily the result of our cost control strategies. Operating expenses also include change in fair value of warrant liabilities. The loss from the fair value change in warrant liabilities was \$3,021 during the year ended December 31, 2021, as compared to a gain of \$5,961 for last fiscal year.

Income tax expenses

We had income tax expenses of \$328,851 for the year ended December 31, 2021 as compared to a recovery of \$229,733 for the year ended December 31, 2020.

Current income tax expenses decreased by \$177,367 from \$ 771,639 for the year ended December 31, 2020 to \$594,272 for the year ended December 31, 2021. The decrease was primarily caused by the reversal of the accrued tax payables in the previous years.

Deferred income tax recovery was \$265,421 or the year ended December 31, 2021 as compared to \$ 1,001,372 for the ended December 31, 2020. The higher tax recovery in 2020 was mainly due to the reversal of deferred income tax liabilities in connection with the changes in temporary differences.

Net income (loss) from discontinued operations, net of income tax

During the year ended December 31, 2020, the net income from discontinued corporation, net of income tax was \$Nil. The Company, however, recorded a derecognition loss of \$1,953,248 from the disposition of Ding Xin in September 2020.

Net income

As a result of the foregoing, we had a net income of \$757,301 for the year ended December 31, 2021, as compared to a net loss of \$854,606 for the year ended December 31, 2020.

Year ended December 31, 2020 compared to year ended December 31, 2019

Revenues

Our revenues from services increased by \$1,488,933 or 233%, from \$639,220 for the year ended December 31, 2019, to \$2,128,153 for the year ended December 31, 2020. The following table sets forth a breakdown of our revenue by services offered for the years ended December 31, 2020 and 2019:

	For the years ended December 31,		Variance	
	2020	2019	Amount	%
Management and assessment services	\$ 19,676	\$ 135,938	\$ (116,262)	(86)%
Consulting services relating to debt collection	2,108,477	493,779	1,614,698	327%
Consulting services relating to financial guarantee services	-	9,503	(9,503)	(100)%
Revenues from services	\$ 2,128,153	\$ 639,220	\$ 1,488,933	233%

Management and assessment services

Revenues from management and assessment services decreased by \$116,262 or 86%. The primary reason of the decrease was due to a majority of revenues from the contracts obtained in 2018 were recognized in the year ended December 31, 2019. In the year ended December 31, 2020, we did not engage in much management and assessment services due to the change of our business focus. Therefore, there was minimal revenue from Management and assessment services.

Consulting services relating to debt collection

The Company provides consulting services relating to debt collection with certain factoring companies, through Lixin group which were acquired in late December 2019. The debt collection services involved two performance obligations, and the service fee for each performance obligation are fixed and reflected the stand-alone selling price. In addition, a collected-amount based incentive is rewarded to the Company upon collection of outstanding debt.

- 1) assisting the customers to get court judgements on outstanding debt, and the Company recognized revenues over the period towards the completion of the performance obligation; and
- 2) assisting the customers to receive repayment on outstanding debt, and the Company recognized revenues upon completion of the performance obligation.

The significant increase of \$1,614,698 or 327% was due to we consolidated a full year of Lixin's operations in 2020, whereas in 2019, we only consolidated Lixin's operation from December 20, 2019 to December 31, 2019.

Commissions and fees on financial guarantee services

Commissions and fees on financial guarantee services increased by \$366,674 or 4,168% for the year ended December 31, 2020 compared to the same period of 2019. This was due to we consolidated a full year of Lixin's operations in 2020, whereas in 2019, we only consolidated Lixin's operation from December 20, 2019 to December 31, 2019.

Interest and fees income

Interest and fee income primarily consisted of interest and fee income generated from factoring business and from loans due from third parties. Interest and fee income decreased by \$402,992 or 14% for the year ended December 31, 2020 compared to the same period of 2019. The decrease was mainly due to our subsidiary, Zhiyuan, which provided our only factoring business did not conduct any factoring business due to the Company's change of business plan. Zhiyuan was later disposed of in September 2020. As a result, interest income and fee from factoring business decreased by \$2,782,332. The decrease in interest income from factoring business was offset by the increase of \$2,131,447 in interest income from loans advanced to third parties through our Lixin's operations after our acquisition of Lixin in December 2019.

Interest expenses and fees on secured loans

Interest expenses and fees on secured loans decreased by \$2,218,815 or 100% from \$2,218,815 for the year ended December 31, 2019 to \$Nil for the year ended December 31, 2020.

The significant decrease of interest expenses and fees on secured loans was due to all secured loans were repaid during the year ended December 31, 2019. Our secured loans were issued through Zhiyuan in previous years. There were no new secured loans issued in fiscal 2020 and we later disposed of Zhiyuan in September 2020.

Provision for loan losses

The provisions for loan losses related to our direct loan and secured loan lending business conducted through Ding Xin before 2020. There were no new direct loans and secured loans issued in fiscal 2020 and we disposed of Ding Xing in September 30, 2020. Therefore, provisions for loan losses decreased by \$2,244,601, or 100%, from \$2,244,601 for the year ended December 31, 2019 to \$Nil for the year ended December 31, 2020.

Operating expenses

Operating expense mainly consisted of salary and employee surcharges, office expenses, travel costs, entertainment expenses, depreciation of equipment, current expected credit losses, write-off of receivables, professional fees and office supplies. Operating expenses in total increased by \$2,738,909, or 200% for year ended December 31, 2020 compared to \$1,366,710 for the year ended December 31, 2019. The increase was primarily attributable by an increase of \$604,168 in salaries and employee surcharges and an increase of \$1,609,839 in other operating expenses. The increases in both of these expenses were primarily due to the consolidation of Lixin's operating expenses for the full year in 2020, whereas the consolidation Lixin's operating expenses was only from December 20, 2019 to December 31, 2019. Operating expenses also include change in fair value of warrant liabilities. There was a minimal change in fair value in 2020 compared to 2019, resulting in a decrease of \$524,902 in gain from fair value change in warrant liabilities.

Income tax expenses

We had income tax recovery of \$229,733 for the year ended December 31, 2020, as compared with income tax expense of \$244,741 for the year ended December 31, 2019.

Current income tax expenses increased by \$526,898 from \$187,067 for the year ended December 31, 2019 to \$771,639 for the year ended December 31, 2020. The increase was primarily caused by the full year consolidation of Lixin's operations in 2020 compared to the consolidation of Lixin's operations for only a small stub period in 2019.

Deferred income tax expenses changed from deferred tax expense of \$57,674, for the year ended December 31, 2019 to deferred tax recovery of \$1,001,372 for the ended December 31, 2020. The change was mainly due to the reversal of deferred income tax liabilities in connection with the changes in temporary differences.

Net income (loss) from discontinued operations, net of income tax

During the year ended December 31, 2020, the net income from discontinued corporation, net of income tax is \$nil. The Company, however, recorded a derecognition loss of \$1,953,248 from the disposition of Ding Xin in September 2020.

During the year ended December 31, 2019, the net income was comprised of a net loss of \$27,904,790 from discontinued operations of Feng Hui and a gain of \$54,750,808 from disposal of the discontinued operations of Feng Hui.

Net income

As a result of the foregoing, we had a net loss of \$854,606 for the year ended December 31, 2020, as compared to a net income of \$24,288,908 for the year ended December 31, 2019.

Taxation

British Virgin Islands

Under the current tax laws of the British Virgin Islands, the Company is not subject to tax on income or capital gains. Additionally, upon payments of dividends to the shareholders, no British Virgin Islands withholding tax will be imposed.

Cayman Islands

Under the current tax laws of the Cayman Islands, the Company's subsidiary incorporated in the Cayman Islands is not subject to tax on income or capital gain.

Hong Kong

Roan HK and Lixin HK are incorporated in Hong Kong and are subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate for the first HKD\$2 million of assessable profits is 8.25% and assessable profits above HKD\$2 million will continue to be subject to the rate of 16.5% for corporations in Hong Kong, effective from the year of assessment 2018/2019. Before that, the applicable tax rate was 16.5% for corporations in Hong Kong. The Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong since inception. Under Hong Kong tax laws, Roan HK and Lixin HK are exempted from income tax on its foreign-derived income and there are no withholding taxed in Hong Kong on remittance of dividends.

PRC

PRC subsidiaries are subject to PRC Enterprise Income Tax ("EIT") on the taxable income in accordance with the relevant PRC income tax laws. The EIT rate for companies operating in the PRC is 25%.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) disclosure of contingent assets and liabilities at the end of each reporting period and (iii) the reported amounts of revenues and expenses during each reporting period. We continually evaluate these estimates and assumptions based on historical experience, knowledge and assessment of current business and other conditions, expectations regarding the future based on available information and reasonable assumptions, which together form a basis for making judgments about matters not readily apparent from other sources. The use of estimates is an integral component of the financial reporting process, though actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. Please refer to Note 3 of consolidated financial statements included in this 20-F annual report for the accounting policies critical to an understanding of our consolidated financial statements as their application places the most significant demands on the judgment of our management.

Recent Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in Note 3(II) of our audited consolidated financial statements included elsewhere in this annual report.

B. Liquidity and capital resources

In assessing our liquidity, we monitor and analyze our cash on-hand and our operating and capital expenditure commitments. To date, we have financed our operations primarily through cash flows from operations, bank borrowings, and equity financing.

In assessing the Company's liquidity, the Company monitors and analyzes its cash and its ability to generate sufficient cash flow in the future to support its operating and capital expenditure commitments. The Company's liquidity needs are to meet its working capital requirements and operating expenses obligations.

As of December 31, 2021, the Company had cash balance of \$1,947,472 and a positive working capital of \$51,940,172. In addition to the cash balance, the working capital was mainly comprised of restricted cash of \$29,693,689, accounts receivable of 6,629,529, loan receivable due from third parties of \$23,751,471 and other receivables of \$656,835. The balances of these assets are expected to be repaid on maturity dates and will also be used for working capital.

In addition, the management estimated the operating expenses obligation for the next twelve months after issuance of the consolidated financial statements to be \$3,786,344, which will be covered by the cash flows of \$4,185,518 generated from financial guarantee services, financial services and interest income. The Company's shareholder also committed to provide continuous financial support to the Company whenever necessary.

The Company plans to fund its operations through revenue generated from its revenues of management and assessment services, financial guarantee services and financial consulting services, private placements from investors, and financial support commitments from the Company's shareholders.

Based on above operating plan, the management believes that the Company will continue as a going concern in the following 12 months.

The Company's ability to support its operating and capital expenditure commitments will depend on its future performance, which will be subject in part to general economic, competitive and other factors beyond its control. The impacts of COVID-19 may cause lockdowns, quarantines, travel restrictions, and closures of businesses and schools. As a result, the Company may experience delay of outstanding receivables from customers and limited access to cash to expand its operations. The extent to which the coronavirus impacts the Company's operation results for year 2022 will depend on certain future developments, including the duration of the COVID-19 pandemic, emerging information concerning the severity of the coronavirus and the actions taken by governments and private businesses to attempt to contain the coronavirus, all of which is uncertain at this point.

Current foreign exchange and other regulations in the PRC may restrict our PRC entities in their ability to transfer their net assets to the Company and its subsidiaries in Cayman Islands, and Hong Kong. However, these restrictions have no impact on the ability of these PRC entities to transfer funds to us as we have no present plans to declare dividend which we plan to retain our retained earnings to continue to grow our business. In addition, these restrictions have no impact on the ability for us to meet our cash obligations as all of our current cash obligations are due within the PRC.

A majority of our future revenues are likely to continue to be in the form of Renminbi. Under existing PRC foreign exchange regulations, Renminbi may be converted into foreign exchange for current account items, including profit distributions, interest payments and trade-and service-related foreign exchange transactions.

We expect that a substantial majority of our future revenues will be denominated in Renminbi. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

Cash Flows

The following table sets forth a summary of our cash flows for the years ended December 31, 2021, 2020 and 2019.

	For the Years Ended December 31,		
	2021	2020	2019
Net Cash Provided by (Used in) Operating Activities	\$ 8,717,975	\$ (7,461,511)	\$ (1,101,143)
Net Cash (Used in) Provided by Investing Activities	(5,684,489)	6,332,631	85,965,056
Net Cash (Used in) Provided by Financing Activities	(3,114,478)	7,853,152	(64,138,838)
Effect of exchange rate changes on cash and cash equivalents	914,219	1,937,807	119,326
Net increase in cash and cash equivalents, and restricted cash in banks	\$ 833,227	\$ 8,662,079	\$ 20,844,401

Operating activities

Years Ended December 31, 2021 and 2020

Net cash provided by operating activities was \$8,717,975 for the year ended December 31, 2021, an increase of \$16,179,486 from net cash used in operating activities of \$7,461,511 for the year ended December 31, 2020. Net income for the year ended December 31, 2021 was \$757,301, an increase of 1,611,907 from a net loss of \$854,606 for the year ended December 31, 2020. The increase was primarily due to an increase in net income.

In addition to the increase in net income, the increase in net cash provided by operating activities was the result of the following major changes in our working capital and non-cash items:

- A cash outflow of \$7,495 from change in accounts receivable for the year ended December 31, 2021, as compared with a cash outflow of \$3,116,533 for the year ended December 31, 2020.
- A cash inflow of \$3,431,640 from changes in other current assets for the year ended December 31, 2021, as compared with a cash outflow of \$3,215,702 for the year ended December 31, 2020.
- A cash inflow of \$2,425,003 in other receivable for the year ended December 31, 2021, as compared with a cash outflow of 3,268,571 for the year ended December 31, 2020.
- A cash inflow of \$411,015 from change in pledged deposits and other non-current assets for the year ended December 31, 2021, as compared with a cash inflow of \$328,854 for the year ended December 31, 2020.
- A cash inflow of \$847,043 from change in tax payable for the year ended December 31, 2021, as compared with a cash inflow of \$1,029,919 for the year ended December 31, 2020.
- A cash inflow of \$449,971 from change in other liabilities for the year ended December 31, 2021, as compared with a cash outflow of \$1,079,811 for the year ended December 31, 2020.

Years Ended December 31, 2020 and 2019

Net cash used in operating activities was \$7,461,511 for the year ended December 31, 2020, an increase of \$6,360,368 from net cash used in operating activities of \$1,101,143 for the year ended December 31, 2019.

For the year ended December 31, 2020, we generated a net income of \$Nil from discontinued operation and had net cash used in discontinued operation of \$Nil, a change of \$26,846,018 and \$26,564 from net income of \$26,846,018 and net cash used in discontinued operation of \$26,564 for the year ended December 31, 2019.

We had net cash used in operating activities from continuing operations of \$7,461,511 for the year ended December 31, 2020, an increase of \$6,386,932 from \$1,074,579 for the year ended December 31, 2019. We incurred a net loss from continuing operations of \$854,606 for the year ended December 31, 2020, a decrease of \$1,702,504 from a net loss of \$2,557,110 for the year ended December 31, 2019. The decrease was primarily due to the full year consolidation of Lixin's positive net income in 2020 compared to consolidation of Lixin's positive net income only for the period from December 20, 2019 to December 31, 2019.

In addition to the change in net loss, the increase in net cash used in operating activities was the result of the following major changes in our working capital and non-cash items:

- A cash outflow of \$ 3,116,533 from change in accounts receivable for the year ended December 31, 2020, as compared with a cash outflow of \$206,442 for the same period ended December 31, 2019.
- A cash outflow of \$3,215,702 in other current assets for the year ended December 31, 2020, as compared with a cash outflow of \$289,604 for the same period ended December 31, 2019.
- A cash outflow of \$3,268,571 from change in other receivable for the year ended December 31, 2020, as compared with a decrease of \$Nil for the same period ended December 31, 2019.
- A cash inflow of \$359,202 from change in pledged deposits and other non-current assets for the year ended December 31, 2020, as compared with an increase of \$Nil for the same period ended December 31, 2019.
- A cash inflow of \$1,029,919 from change in tax payable for the year ended December 31, 2020, as compared with a cash inflow of \$273,589 for the same period ended December 31, 2019.
- A cash outflow of \$1,079,811 from change in other liabilities for the year ended December 31, 2020, as compared with a decrease of \$Nil for the same period ended December 31, 2019.

Holding Company Structure

Roan Holdings Group Co., Ltd. ("Roan") is a holding company with no material operations of its own. We conduct our operations primarily through our PRC subsidiaries. As a result, Roan's ability to pay dividends depends upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of their registered capital. In addition, our wholly foreign-owned subsidiaries in China may allocate a portion of their after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at their discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our PRC subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

C. Research and development, Patents and License, etc.

As a financial company, our business does not rely on research and development. Accordingly, we have not incurred research and development expenses for the years ended December 31, 2021, 2020 and 2019.

For our intellectual property and license, please see "Item 4. Information on the Company-B. Business Overview."

D. Trend information

Other than as disclosed elsewhere in this Form 20-F, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

E. Off-balance Sheet Arrangements

We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

F. Tabular Disclosure of Contractual Obligations

Contingencies

From time to time, the Company may be subject to certain legal proceedings, claims and disputes that arise in the ordinary course of business. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity.

Lease commitments

As of December 31, 2021, only Zhejiang Jingyuxin had an operating lease, which had 0.33 years. . The Company considers those renewal or termination options that are reasonably certain to be exercised in the determination of the lease term and initial measurement of right of use assets and lease liabilities. Lease expense for operating lease is recognized on a straight-line basis over the lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In calculating the initial values of right of use assets and liabilities at inception date, the Company uses the rate implicit in the lease, when available or readily determinable, to discount lease payments to present value. When the leases do not provide a readily determinable implicit rate, the Company discount lease payments based on an estimate of its incremental borrowing rate.

The table below presents the operating lease related assets and liabilities recorded on the balance sheets.

	December 31, 2021
Right of use assets	\$ 37,313
Operating lease liabilities, current portion	\$ 65,498
Operating lease liabilities, noncurrent portion	-
Total operating lease liabilities	\$ 65,498

As of December 31, 2021, the weighted average remaining lease term was 0.33 years, and discount rates were 4.75% for the operating lease.

Rental expense for the years ended December 31, 2021, 2020 and 2019 was \$146,498, 134,457 and \$78,756, respectively.

The following is a schedule, by years, of maturities of lease liabilities as of December 31, 2021:

Twelve months ended December 31, 2022	\$ 65,758
Total lease payments	65,758
Less: imputed interest	(260)
Present value of lease liabilities	\$ 65,498

G. Safe Harbor

This annual report on Form 20-F contains forward-looking statements. These statements are made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "may," "intend," "is currently reviewing," "it is possible," "subject to" and similar statements. Among other things, the sections titled "Item 3. Key Information—D. Risk Factors," "Item 4. Information on the Company," and "Item 5. Operating and Financial Review and Prospects" in this annual report on Form 20-F, as well as our strategic and operational plans, contain forward-looking statements. We may also make written or oral forward-looking statements in our filings with the SEC, in our annual report to shareholders, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements and are subject to change, and such change may be material and may have a material and adverse effect on our financial condition and results of operations for one or more prior periods. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained, either expressly or impliedly, in any of the forward-looking statements in this annual report on Form 20-F. All information provided in this annual report on Form 20-F and in the exhibits is as of the date of this annual report on Form 20-F, and we do not undertake any obligation to update any such information, except as required under applicable law.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and senior management

Below are the names of and certain information regarding the Company's current executive officers and directors.

Name	Age	Position
Junfeng Wang	43	Chairman of the Board of Directors
Guiling Sun	47	Director
Xiaoliang Liang	49	Independent Director
John Chen	50	Independent Director
Yiguo Xu	49	Independent Director
Zhiyong Tang	46	Chief Executive Officer
Wenhao Wang	34	Chief Financial Officer

The principal occupation and business experience during the past five years for our executive officers and directors is as follows:

Mr. Junfeng Wang was appointed as the Company's Chairman of the Board, effective August 10, 2021. He was appointed as the Company's Chief Executive Officer from August 10, 2020 to August 10, 2021. Mr. Wang served as a Technical Director with Beijing Chenglianxin Technology Co., Ltd., Internet in Logistics Platform section from 2016 to July 2020. From 2015 to 2016, he held the technical director position with Juwei Group Beijing Digital Marketing Center in the Food Processing Department. Mr. Wang holds an MBA degree from Beijing University of Posts and Telecommunications.

Ms. Guiling Sun was appointed as an executive director of the Company on December 20, 2021. Ms. Sun was the Deputy General Manager of the Beijing Ming De Ya Xing Cultural Development Co., Ltd. from September 2019 to September 2021. As the Deputy General Manager of Operations, she was in charge of the company's public affairs responsible for education consulting and facilitating cultural and artistic exchanges. From September 2019, Ms. Sun serves as a Rural Education Support Project Consultant for the Holt International Foundation of China, and Guangxi Holt Philanthropic Foundation. As the Rural Education Support Project Consultant, Ms. Sun is responsible for project design, training, and education consulting. Prior to that position, she was Vice-Chancellor at Canvard College, Beijing Technology and Business University, from October 2013 to September 2019. Ms. Sun holds a Master's degree in business management from Xiamen University, Xiamen, China.

Mr. Xiaoliang Liang was appointed as an independent director of the Company on December 20, 2021 and serves as the Chairman of our Corporate Governance and Nominating Committee. Mr. Liang is the General Manager of Chongqing Yuhong Chuangneng IOT Technology Co., Ltd. and has held that position since July 2021. As the General Manager, he is responsible for the hydrogen fuel cell truck demonstration application, renewable energy hydrogen production, hydrogen refueling station construction and operation, vehicle big data platform construction and operation, and carbon finance and business related matters. Prior to that position, he was the General Manager of Beijing Qingshui Youyang New Energy Technology Co., Ltd. from January 2020 to July 2021. Mr. Liang was the Chief Financial Officer of Zhejiang Yuhui Sola Energy Resource Co., Ltd. from January 2018 to December 2019. Mr. Liang served as a Vice President of Tunghsu Azure Renewable Energy Co., Ltd. from May 2015 to December 2017. Mr. Liang holds a postgraduate degree in engineering management from the Beijing Graduate Institute of North China University of Water Resources and Electric Power, Beijing, China.

Mr. John Chen is an independent director and serves as Chairman of the Company's Audit Committee. Mr. Chen is California Certified Public Accountant. Mr. Chen is Executive President of Zhangjiagang Zhongbaojin Enterprise Management Consulting Co., Ltd. and was the Chief Financial Officer of General Steel Holding Inc. (OTCBB: GSIH) from 2004 to 2019. From 1997 to 2003, Mr. Chen was a Senior Accountant at Moore Stephens Frazer and Torbet. Mr. Chen received his Bachelor of Science degree in Business Administration, Accounting from California State Polytechnic University.

Mr. Yiguo Xu is an independent director appointed on March 26, 2019, and serves as Chairman of our Compensation Committee. Mr. Xu is the Secretary General of the National Institution for Finance and Development, the Dean of the Finance Faculty of the Graduate School of Chinese Academy of Social Sciences, the Deputy Director of the Finance Policy Research Centre of the Chinese Academy of Social Sciences and the Secretary General of Beijing CBD International Finance Research Academy. He writes extensively on finance policies and conducts researches in various topics. He earned his master's degree from the School of Finance of Renmin University of China and his PhD in finance from the Graduate School of Chinese Academy of Social Sciences.

Mr. Zhiyong Tang was appointed as the Company's Chief Executive Officer, effective August 25, 2021. Mr. Tang is currently serving as President of Zhejiang Lixin Enterprise Management Group Co., Ltd. Prior to that, Mr. Tang served as General Manager of Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd. from 2015 to 2018; President of Zhongchuang International Finance Leasing Co., Ltd. from 2013 to 2015; Executive Vice President of China Financial Services Holdings Ltd. from 2010 to 2012; General Manager of Huale Tongda (Beijing) International Investment Management Registrant from 2004 to 2010. In addition, Mr. Tang worked in the Northern Investment Group Co., Ltd. from 1999 to 2004. Mr. Tang earned a master's degree in accounting and finance science from Hongkong Baptist University in 2015 and a master's degree in public administration from Liaoning University in 2012.

Mr. Wenhao Wang was appointed as the Company's Acting Chief Financial Officer, effective August 25, 2021. Mr. Wang served as a managing director of investment banking of Southwest Securities Co., Ltd. from 2015 to 2021. Before joining the Company, he has worked in securities brokerage, equity investment and banking businesses. His experience includes leadership roles in internal control and compliance practices in the process of corporate operations and proficiency in China's capital market and financing practices. Prior to joining us, Mr. Wang served 33 large-scale companies in the financial field over 11 years and managed more than RMB 4 billion in equity investment and RMB 500 million in fund investment as a financial advisor. Mr. Wang earned his bachelor's degree in economics from Southwest University of Science and Technology in 2014.

Arrangements Concerning Election of Directors; Family Relationships

Our current board of directors consists of five directors. We are not a party to, and are not aware of, any voting agreements among our shareholders. In addition, there are no family relationships among our executive officers and directors.

B. Compensation

The aggregate compensation paid and share-based compensation and other payments expensed by us to our directors and executive officers with respect to the year ended December 31, 2021 was \$95,438. Due to the negative impact of Covid-19, the Company did not reach its performance goal for the year ended December 31, 2021. The Company did not pay the wage for the Chief Executive Officer, Chief Financial Officer, Senior Executive President and Senior Vice President for the months from August to December 2021 as agreed by the management. This amount does not include business travel, professional and business association dues and expenses reimbursed to office holders, and other benefits commonly reimbursed or paid by companies in our industry. We do not currently have a stock option or other equity incentive plan. We may adopt one or more such programs in the future. We do not have any written agreements with any director providing for benefits upon the termination of such director's relationship with us.

C. Board Practices

Board of Directors

Our Board of Directors consists of five (5) members. Previously we had a practice of appointing Directors to staggered three (3) year terms. On March 17, 2020, with the shareholders' consent, we changed all the directors' terms to one year. Each director holds office for one year, or until his or her earlier death, resignation or removal.

Director Independence

Even if we elect to be a controlled company, a majority of our Board is independent. An "independent director" is defined under the Nasdaq rules generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company's board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Our Board has determined that John Chen, Yiguo Xu and Jianfeng Yin (term ended on December 20, 2021) and Xiaoliang Liang (newly elected on December 20, 2021) are "independent directors" as defined in the Nasdaq listing standards and applicable SEC rules. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Leadership Structure and Risk Oversight

The Board does not have a lead independent director. Mr. Junfeng Wang has been the Chairman of the Board since August 10, 2021. Mr. Liu Zhigang was the Chairman of the Board from March 18, 2020 to August 10, 2021 and was a co-chair of the Board and authorized to execute documents on behalf of the Company on December 15, 2019.

Policy Regarding Board Attendance

Our directors are expected to attend Board meetings as frequently as necessary to properly discharge their responsibilities and to spend the time needed to prepare for each meeting. Our directors are expected to attend annual meetings of shareholders, but we do not have a formal policy requiring them to do so.

Committees of the Board of Directors

The standing committees of our Board currently consists of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

We have established an Audit Committee of the board of directors. As of December 31, 2021, Messrs. John Chen, Yiguo Xu, and Xiaoliang Liang served as members of our Audit Committee and they are all independent. Dr. Jianfeng Yin's term ended on December 20, 2021 and succeeded by Mr. Xiaoliang Liang on December 20, 2021. Mr. John Chen served as chairman of the Audit Committee.

Each member of the Audit Committee is financially literate and our board of directors has determined that Mr. John Chen qualifies as an "Audit Committee financial expert" as defined in applicable SEC rules.

We have adopted an Audit Committee charter, which details the responsibilities of the Audit Committee, including:

- the appointment, compensation, retention, replacement, and oversight of the work of the independent auditors and any other independent registered public accounting firm engaged by us;
- pre-approving all audit and non-audit services to be provided by the independent auditors or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures;
- reviewing and discussing with the independent auditors all relationships the auditors have with us in order to evaluate their continued independence;
- setting clear hiring policies for employees or former employees of the independent auditors;
- setting clear policies for audit partner rotation in compliance with applicable laws and regulations;
- obtaining and reviewing a report, at least annually, from the independent auditors describing (i) the independent auditor's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within, the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;
- reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and
- reviewing with management, the independent auditors, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our consolidated financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities.

Compensation Committee

As of December 31, 2021, the members of our Compensation Committee were Messrs. John Chen, Yiguo Xu and Xiaoliang Liang, succeeding Dr. Jianfeng Yin whose term ended on December 20, 2021. Mr. Yiguo Xu served as Chairman of the Compensation Committee. We have adopted a Compensation Committee charter, which details the principal functions of the Compensation Committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our Chief Executive Officer's based on such evaluation in executive session at which the Chief Executive Officer is not present;
- reviewing and approving the compensation of all of our other executive officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our executive officers and employees;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

The charter also provides that the Compensation Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

Corporate Governance and Nominating Committee

Our Corporate Governance and Nominating Committee will be responsible for, among other matters:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- overseeing the organization of our board of directors to discharge the board's duties and responsibilities properly and efficiently;
- identifying best practices and recommending corporate governance principles; and
- developing and recommending to our board of directors a set of corporate governance guidelines and principles applicable to us.

As of December 31, 2021, our Corporate Governance and Nominating Committee consisted of Messrs. John Chen, Yiguo Xu and Xiaoliang Liang, with Mr. Xiaoliang Liang serving as the Chairman of the Corporate Governance and Nominating Committee, succeeding Dr. Jianfeng Yin whose term ended on December 20, 2021.

D. Employees

As of December 31, 2021, the Company had 35 full time employees, including 4 members of Senior Management Team employed by Roan Holdings Group Co., Ltd., 6 employees employed by Zeshi Health, and 25 employees employed by Zehjiang Jingyuxin and Zhejiang Lixin. They have executed employment contracts with its employees in accordance with PRC Labor Law and Labor Contract Law. There are no collective bargaining contracts covering any of its employees. The Company believes its relationship with its employees is satisfactory.

	Number of employees	% of total
Sales and marketing	5	14.29%
Business operation	8	22.86%
Management and administration	22	62.85%
Total	35	100.00%

We are required under PRC law to make contributions to employee benefit plans at specified percentages of our after-tax profit. In addition, we are required by PRC law to cover employees in China with various types of social insurance. For the years ended December 31, 2021, 2020 and 2019, we contributed approximately \$131,949, \$61,296, and \$31,012, respectively, to the employee benefit plans. The effect on our liquidity by the payments for these contributions is immaterial. We believe that we are in material compliance with the relevant PRC employment laws.

E. Share Ownership

For information concerning the beneficial ownership of our ordinary shares by our executive officers and directors, see the table in Item 7A. "Major Shareholders and Related Party Transactions—Major shareholders."

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major shareholders

The following table sets forth information relating to the beneficial ownership of our Ordinary Shares as of April 22, 2022, by:

- Each of our directors and named executive officers;
- All of our directors and executive officers as a group;
- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding ordinary shares;

The number of ordinary shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any ordinary shares over which the individual has sole or shared voting power or investment power as well as any ordinary shares that the individual has the right to acquire within 60 days of April 22, 2022 through the exercise of any stock options, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all ordinary shares held by that person.

Ordinary shares that a person has the right to acquire within 60 days of April 22, 2022 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated in the footnotes to the table, the information presented in this table is based on 25,287,851 outstanding ordinary shares on April 22, 2022.

	Amount of Beneficial Ownership ⁽¹⁾	Percentage Ownership	Percentage Voting Power ⁽²⁾
Named Executive Officers and Directors			
Directors and Named Executive Officers:			
Junfeng Wang, Chairman ⁽³⁾	613,000	2.42%	2.36%
Guiling, Sun, Director	-	-	-
Yiguo Xu, Director	-	-	-
Xiaoliang Liang, Director	-	-	-
John Chen, Director	-	-	-
Jianfeng Yin, Director	-	-	-
Zhigang Liu, Chairman ⁽⁴⁾	500,000	1.98%	1.92%
Qingliang Yang, Director ⁽⁵⁾	419,900	1.66%	1.61%
Zhiyong Tang, Chief Executive Officer	-	-	-
Wenhao Wang, Chief Financial Officer	-	-	-
All directors and executive officers as a group (10 persons)	1,532,900	6.06%	5.89%
5% Beneficial Owners:			
Ruiheng Global Limited ⁽⁶⁾	6,261,055	24.76%	24.08%
Qian Li ⁽⁷⁾	6,157,881	24.35%	23.68%
Yuan Shen ⁽⁸⁾	3,506,732	13.87%	13.49%
Yangwei Global Limited ⁽⁹⁾	3,483,312	13.77%	13.40%
Jiyi Global Investments Limited ⁽¹⁰⁾	2,034,501	8.05%	1.32%
Zhan Zhao Limited ⁽¹¹⁾	1,287,830	5.09%	4.95%

* Less than 1%.

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the ordinary shares. All shares represent only ordinary shares held by shareholders as no options are issued or outstanding.
- (2) Ordinary Shares have one vote per share, and Class A Convertible Preferred Shares have one vote per share.
- (3) Consists of 4,467 Ordinary Shares held by Jiyi Global Investments Limited in which Mr. Wang owns a 0.22% interest, 265,533 Ordinary Shares held by Zhan Zhao Limited in which Mr. Wang owns a 20.619% interest, and 343,000 Ordinary Shares held by Zhong Yun Holdings Limited in which Mr. Wang owns a 68.125% interest. All of the above shares were acquired in connection with the Business Combinations.
- (4) Consists of 60,667 Ordinary Shares held by Yangwei Global Limited in which Mr. Liu owns a 1.74% interest, 334,333 Ordinary Shares held by Jiyi Global Investments Limited in which Mr. Liu owns a 16.43% interest, 105,000 Ordinary Shares held by Ruiheng Global Limited in which Mr. Liu owns a 1.67% interest. All of the above shares were acquired in connection with the Business Combinations. Mr. Liu resigned the Chairman of the Board on August 10, 2021.

- (5) Consist of 411,010 Ordinary Shares held by Favour Plus Global Limited in which Mr. Yang owns 40% interest and 8,890 Ordinary Shares held by Ruiheng Global Limited in which Mr. Yang owns 0.142% interest. Mr. Qingliang Yang was appointed as an executive director on April 2, 2021, succeeding Ms. Shuangping Feng who was a director during the 2020 fiscal year. Prior to Ms. Feng's resignation effective on April 2, 2021, she was deemed as beneficially owning 766,410 ordinary shares directly held by Qixiang Global Limited, a company in which Mr. Mengshi Feng owned 3.03% of the equity interest and 500,000 Class A preferred shares Mr. Feng owned directly because Mr. Mengshi Feng is the son of Shuangping Feng who may be deemed to beneficially own the 766,410 ordinary shares held by Qixiang Global Limited and the Class A preferred shares. Mr. Yang resigned the Director on December 20, 2021.
- (6) The Ordinary Shares held by Ruiheng Global Limited, a BVI company, are beneficially owned by Ms. Yuan Shen, the controlling shareholder, and Mr. Zhisan Yang, Ms. Wen Qi, Ms. Wen Li, Ms. Guixiang Luo, Mr. Quan Zhou, Ms. Shiping Gao, Mr. Qingliang Yang and Mr. Zhigang Liu.
- (7) Consists of (i) 20,549 ordinary shares directly held by Qixiang Global Limited, a company in which Qian Li owns 2.174% interest; (ii) 1,526,903 ordinary shares directly held by Jiye Global Investment Limited, a company in which Qian Li owns 75.05% interest; (iii) 1,236,907 ordinary shares directly held by Ruiheng Global Limited, a company in which Qian Li owns 19.756% interest; (iv) 3,040,604 ordinary shares directly held by Yangwei Global Limited, a company in which Qian Li owns 87.291% interest; (v) 332,918 ordinary shares directly held by Zhan Zhao Limited, a company in which Qian Li owns 25.851% interest. The above shares are held by Ms. Shiping Gao on behalf of Qian Li through a contractual arrangement and Qian Li may be deemed to be the beneficial owner of such shares.
- (8) Consists of (i) 936,354 ordinary shares directly held by Changman Limited, a company in which Yuan Shen owns 94.6% interest; (ii) 616,515 ordinary shares directly held by Favour Plus Global Limited, a company in which Yuan Shen owns 60.0% interest; (iii) 676,667 ordinary shares directly held by Xinglin Limited, a company in which Yuan Shen owns 68.1% interest; (iv) 770,000 ordinary shares directly held by Yimao Enterprises Limited, a company in which Yuan Shen owns 68.1% interest; (v) 158,363 ordinary shares directly held by Qixiang Global Limited, a company in which Yuan Shen owns 16.8% interest; (vi) 135,333 ordinary shares directly held by Yangwei Global Limited, a company in which Yuan Shen owns 3.9% interest; and (vii) 213,500 ordinary shares directly held by Zhan Zhao Limited, a company in which Yuan Shen owns 16.6% interest.
- (9) The Ordinary Shares held by Yangwei Global Limited, a BVI company, are beneficially owned by Ms. Qian Li, the controlling shareholder, Ms. Zhihong Zhang, Ms. Yunzhu Chi, Ms. Yuan Shen, Ms. Guifang Li, Ms. Shiping Gao, Mr. Shuai Guo, Mr. Qiang Jin, and Mr. Zhigang Liu. Ms. Gao exercises voting and dispositive power over the Ordinary Shares held by such entity.
- (10) The Ordinary Shares held by Jiye Global Investments Limited, a BVI company, are beneficially owned by Ms. Shiping Gao, the controlling shareholder, and Mr. Cheng Sui, Mr. Jianfeng Zhang, Ms. Yuhua Liu, Ms. Cuiping Liu, Mr. Zhigang Liu, Mr. Wei Liu and Mr. Junfeng Wang. Ms. Gao exercises voting and dispositive power over the Ordinary Shares held by such entity.
- (11) The Ordinary Shares held by Zhan Zhao Limited, a BVI company, are beneficially owned by Ms. Zhihong Zhang, Ms. Yuquan Zhang, Ms. Xiaolan Zhao, Ms. Lulu Chen, Mr. Wei Liu, Ms. Yuan Shen, Ms. Shiping Gao and Mr. Junfeng Wang.

Change of Control

In January 2020, our prior Chief Financial Officer, Ms. Jingping Li, resigned from such position. In March 2020, Ms. Li ceased to serve on the Board of Directors, and an original shareholder and former director, Shuangping Feng, was elected to the Board to replace Ms. Li. As a result of such departures, Ms. Li has ceased to exercise control over our Company. Our current largest shareholders and Board of Directors exercise effective control of our Company as of the date of this filing. Although we have issued an aggregate of 291,795,150 Class B convertible preferred shares in connection with our acquisition of Lixin Cayman and its subsidiaries, such shares have no voting rights. Such Class B convertible shares may be converted into ordinary shares at the holders' election after June 19, 2022 (revised from December 20, 2021), or the Company could redeem those Class B convertible shares. If the Class B convertible preferred shares are converted into ordinary shares, the holders of such ordinary shares would likely control our Company. Except as described in this report, no arrangements or understandings exist among present or former controlling shareholders with respect to the election of members of our Board and, to our knowledge, no other arrangements exist that might result in a change of control of the Company.

B. Related Party Transactions

During fiscal year 2020, the Company advanced a loan of \$91,954 to a shareholder, Mr. Yuan Shen. The loan is interest free and due on demand as of December 31, 2020. The Company has agreed to offset this loan with the other related party balance due to this same shareholder subsequent to yearend. (Refer to Note 18.2) below for balance due to this related party.

During fiscal year 2021, the Company purchased health products of \$3,907 from Furuikang Biomedical Technology (Zhejiang) Co., Ltd. ("Furuikang"). The shareholder of Furuikang is a beneficial owner of the Company. The transactions are arm-length transactions. As of December 31, 2021, the amount due from Mr. Zhiyong Tang, the Company's Chief Executive Officer, was \$5,941. This amount was advanced travel fees and non-interest bearing. During the fiscal year 2021, the Company and Ms. Yuan Shen had agreed to offset the advanced loan of \$91,954 provided in fiscal year 2020 with the balance due to Ms. Yuan Shen. After the offsetting, the amount due to Ms. Yuan Shen was \$119,210 (Refer to Note 18.2). The amount was non-interest bearing and due on demand.

As of December 31, 2021, the balance of due from related parties of \$5,941 consisted of an advance of \$5,941 to Mr. Zhiyong Tang.

As of December 31, 2021, the balance of due to related parties of \$123,117 consisted of an advanced fund of \$119,210 provided by Ms. Yuan Shen, and a payable of \$3,907 to Furuikang.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information.

Financial Statements

See Item 18 “Financial Statements” included in this Annual Report.

Legal Proceedings

We are currently not a party to any material legal or administrative proceedings and are not aware of any pending or threatened material legal or administrative proceedings against us. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Dividend Policy

On March 21, 2017, the Company announced a dividend of \$0.036 per ordinary share which represents an amount equal to twenty-five percent (25%) of (i) the Company’s consolidated net income for the period beginning October 1, 2016 through December 31, 2016, less (ii) the amount of dividends paid, payable or otherwise accrued as preferred dividends with respect to the Company’s Class A preferred shares for such period. The dividend was paid on April 24, 2017 to holders of record of the Company’s ordinary shares on March 31, 2017. The dividend was paid in ordinary shares. No fractional shares were issued. All dividends were rounded up to the nearest whole number of ordinary shares. No cash payments were made for any fractional shares.

On May 26, 2017, the Company announced a dividend of \$0.047 per ordinary share which represents an amount equal to twenty-five percent (25%) of (i) the Company’s consolidated net income for the period beginning January 1, 2017 through March 31, 2017, less (ii) the amount of dividends paid, payable or otherwise accrued as preferred dividends with respect to the Company’s Class A preferred shares for such period. The dividend was paid on June 23, 2017 to holders of record of the Company’s ordinary shares on June 5, 2017. The dividend was payable in ordinary shares. No fractional shares were issued. All dividends were rounded up to the nearest whole number of ordinary shares. No cash payments were made for any fractional shares.

The Company may pay quarterly dividends dependent on its revenues and earnings, if any, capital requirements and general financial conditions, at the discretion of the Board of Directors. In addition, the Company intends to provide for an 8% dividend each year for the Class A Preferred shares. Under the Company’s articles of association, the Company may pay such dividends in cash, in additional Class A Preferred shares, or in ordinary shares.

B. Significant Changes

Except as disclosed elsewhere in this Annual Report, there have been no other significant changes since December 31, 2021, until the date of the filing of this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ordinary shares and warrants have been listed on the OTC Pink Open Market (“OTC Market”) since January 8, 2020 under the symbols “RAHGF” and “RONWF,” respectively. Prior to January 8, 2020, our warrants were quoted under the symbol “CLDCF.” Our ordinary shares were listed on the Nasdaq Capital Market (the “Nasdaq Stock Market”) under the symbol “CLDC” before being delisted on September 6, 2019, and had since been quoted on the OTC Market under the symbol “CLDOF” until the symbol was changed to “RAHGF.”

The transfer agent for our ordinary shares and warrants is Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares and warrants are currently quoted on the OTC Market under the symbols “RAHGF” and “RONWF,” respectively.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION**A. Share Capital**

Not applicable.

B. Memorandum and Articles of Association**General**

We are a company incorporated in the British Virgin Islands as a BVI business company (company number 1819503) and our affairs are governed by our memorandum and articles of association, the BVI Business Companies Act, 2004, as amended, (the “Companies Act”) and the common law of the British Virgin Islands. We are authorized to issue an unlimited number of both ordinary shares of no par value and preferred shares of no par value.

Ordinary Shares

As of December 31, 2021, there were 25,287,851 ordinary shares outstanding. Under the Companies Act, the ordinary shares are deemed to be issued when the name of the shareholder is entered in our register of members.

At any general meeting on a show of hands every ordinary shareholder who is present in person (or, in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy will have one vote for each share held on all matters to be voted on by shareholders. Voting at any meeting of the ordinary shareholders is by show of hands unless a poll is demanded. A poll may be demanded by shareholders present in person or by proxy if the shareholder disputes the outcome of the vote on a proposed resolution and the chairman shall cause a poll to be taken. Pursuant to the amended Memorandum and Articles of Association approved by the board of directors on December 22, 2021, our shareholders may pass resolutions in writing without a meeting.

Our Board of Directors consists of one class of directors. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors (provided that, holders of at least 75% of the shares can remove a director with or without cause).

Our shareholders are entitled to receive ratable dividends when, as and if declared by the Board of Directors out of funds legally available therefor.

In the event of a liquidation or winding up of the Company, our shareholders are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of shares, if any, having preference over the ordinary shares. Our shareholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to the ordinary shares, except that we will provide our shareholders with the redemption rights set forth above. The shareholders of our ordinary shares do not have liability to further capital calls by us and there are no provisions discriminating against any existing or prospective holder of securities as a result of the shareholder owning a substantial number of shares.

Preferred Shares

Our charter authorizes the issuance without shareholder approval of an unlimited number of preferred shares divided into five classes, Class A through Class E, each with such designation, rights and preferences as are set out in the memorandum and articles of association or as may be determined by a resolution of our Board of Directors to amend the charter to create such designations, rights and preferences. We have five classes of preferred shares to give us flexibility as to the terms on which each class is issued. Accordingly, starting with five classes of preference shares will allow us to issue shares at different times on different terms. Our Board of Directors is empowered, without shareholder approval, to issue preferred shares with dividend, liquidation, redemption, voting or other rights, which could adversely affect the voting power or other rights of the holders of ordinary shares. These preferred shares could be utilized as a method of discouraging, delaying or preventing a change in control of us.

The rights of preferred shareholders may only be amended by a resolution to amend our charter, provided such amendment is also approved by a separate resolution of a majority of the votes of preferred shareholders who being so entitled attend and vote at the class meeting of the relevant preferred class. If our preferred shareholders want us to hold a meeting of preferred shareholders (or of a class of preferred shareholders), they may requisition the directors to hold one upon the written request of preferred shareholders entitled to exercise at least 30 percent of the voting rights in respect of the matter (or class) for which the meeting is requested. Under BVI law, we may not increase the required percentage to call a meeting above 30 percent.

As of December 31, 2021, there were 715,000 Class A Convertible Preferred Shares and 291,795,150 Class B Convertible Preferred Shares issued and outstanding.

Class A Convertible Preferred Shares

On July 6, 2016, in connection with of the First Business Combination, we issued 715,000 shares of Class A Convertible Preferred Shares in a PIPE offering. The total amount raised from issuance of Class A Convertible Preferred Shares was \$8,580,000. Pursuant to the terms of the Share Exchange Agreement, immediately prior to the consummation of the Business Combination, the Company consummated a private placement of 715,000 shares of newly created Class A Convertible Preferred Shares. The Class A Convertible Preferred Shares were sold at a purchase price of \$12.00 per share and the Company has treated its Class A Convertible Preferred Shares as being entitled to a dividend of 8% per annum. Each Class A Convertible Preferred Shares are convertible at any time into one ordinary share at an initial conversion price of \$12.00 per share, subject to adjustment; provided, however that the Class A Convertible Preferred Shares shall automatically convert at such time that the average closing price of the ordinary shares is at least \$6.00. In the event of any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary, each holder of a Class A Convertible Preferred Shares shall be entitled to receive a liquidation preference of \$12.00 per share, plus an amount equal to accumulated and unpaid dividends on such shares to (but excluding) the date fixed for liquidation, winding-up or dissolution to be paid out of the assets of the Company available for distribution to its members, after satisfaction of liabilities owed to the Company's creditors and holders of any senior shares and before any payment or distribution is made to holders of any ordinary shares or other junior shares.

Each Class A Preferred Share confers upon the Member (unless waived by such Member): (a) the right to one vote at a meeting of the Members of the Company or on any Resolution of Members; (b) the right to be redeemed on the Redemption Date; (c) the right to the dividends on Class A Preferred Shares; (d) the right to the liquidation preference; and (e) the right to convert to Ordinary Shares and the obligation to convert to Ordinary Shares, pursuant to the provisions of the Company's memorandum and articles of association.

On December 6, 2019, we amended our Memorandum and Articles of Association to (a) create a new class of shares designated as the Class B Preferred Shares, and (b) amend the rights of the existing Class A Preferred Shares, among other things, to allow for the new Class B Preferred Shares to rank senior to the Class A Preferred Shares on a liquidation.

Pursuant to the Amended and Restated Memorandum and Articles of Association (the “Amended M&A I”), the Class A Members shall have the right to convert their Class A Preferred Shares, in whole or in part, into Ordinary Shares at a rate of one Ordinary Share for each Class A Preferred Share (the “Early Conversion Rate”), subject to adjustment and satisfaction of the conversion procedures. The Directors shall have the right to convert any or all of the Class A Preferred Shares, in whole or in part, into Ordinary Shares at the Early Conversion Rate, subject to adjustment and satisfaction of the conversion procedures.

Upon the occurrence of any reorganization event, the Directors shall have the right: (a) to convert any or all of the Class A Preferred Shares, in whole or in part, into Ordinary Shares at the Early Conversion Rate subject to adjustment; or (b) to repurchase or redeem any or all of the Class A Preferred Shares, in whole or in part, for a cash amount equal to the value of the Class A Preferred Shares being repurchased or redeemed on an as-converted basis.

In the event of any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary, each Class A Member shall be entitled to receive the Liquidation Preference per Class A Preferred Share, plus an amount (the Liquidation Dividend Amount) equal to accumulated and unpaid dividends on such shares to (but excluding) the date fixed for liquidation, winding-up or dissolution to be paid out of the assets of the Company available for distribution to its Members, after satisfaction of liabilities owed to the Company’s creditors and holders of any Senior Shares and before any payment or distribution is made to holders of any Junior Shares, including, without limitation, Ordinary Shares. None of the sale of all or substantially all of the assets or business of the Company and its subsidiaries taken as a whole (other than in connection with the liquidation, winding-up or dissolution of the Company), the merger or consolidation of the Company into or with any other person, the sale of a majority of the outstanding equity interests of the Company, nor other Reorganization Event or other similar transaction that results in a change in control of the Company shall be deemed to be a liquidation, winding-up or dissolution, voluntary or involuntary, of the Company.

The Memorandum and Articles of Association do not include sinking fund provisions, liability to further capital calls by the Company and there are no provisions discriminating against any existing or prospective holder of securities as a result of the shareholder owning a substantial number of shares with regards to the Class A Preferred Shares.

As of December 31, 2021, dividend of \$686,400 was accrued for Class A Preferred Shares. The balance for Class A Preferred Shares was \$11,025,327.

Class B Convertible Preferred Share

On December 20, 2019, in connection with of the Second Business Combination, we issued 291,795,150 Class B convertible preferred shares in the acquisition of Lixin Cayman and its subsidiaries. Pursuant to the Share Purchase Agreement with Lixin Cayman and certain selling shareholders entered into on June 13, 2019, the Company acquired a 65.0177% interest in Lixin Cayman from its selling shareholders in exchange for ordinary shares of the Company to be issued to the selling shareholders for a total consideration of RMB 276.00 million (later adjusted to \$31.09 million (RMB 217.88 million)). On August 23, 2019, the parties entered into a supplementary agreement to amend the payment term of the purchase price. Pursuant to the supplementary agreement, Lixin shareholders will receive non-voting preferred shares that will have the right to convert into common shares at the holders’ election after two years from the closing date of the acquisition. The transaction was closed on December 20, 2019 upon the Company’s issuance of 291,795,150 Class B convertible preferred shares as the consideration to the selling shareholders for the 65.0177% equity interest in Lixin Cayman. The Class B convertible preferred shares are embedded with liquidation preference and dividend preference but with no voting rights. Upon the second anniversary of the closing date, the preferred shares may be convertible to ordinary shares at a conversion price calculated at the average closing price per share for ninety consecutive trading days before June 20, 2022.

Pursuant to the Amended M&A I, each Class B Preferred Share confers upon the Member (unless waived by such Member): (a) no right to vote at a meeting of the Members of the Company or on any Resolution of Members; (b) no right to receive any dividends declared on any Shares of the Company; (c) the right to be converted on the Class B Conversion Date; and (d) the right to a liquidation preference specified in the Amended M&A I. The Class B Preferred Shares shall automatically convert into Ordinary Shares of the Company on the Class B Conversion Date at a rate of one Ordinary Share per Class B Preferred Share, provided that the Directors shall be entitled to amend the definition of 'Class B Conversion Date' to alter the date on which each Class B Preferred Share is converted and thereby extending or reducing the term after which each Class B Preferred Share is converted. Upon the occurrence of any reorganization event, the Directors shall have the right: (a) to convert any or all of the Class B Preferred Shares, in whole or in part, into Ordinary Shares at a rate of 1 Ordinary Share per Class B Preferred Share; or (b) to repurchase or redeem any or all of the Class B Preferred Shares, in whole or in part, for a cash amount equal to the value of the Class B Preferred Shares being repurchased or redeemed on an as-converted basis.

In the event of any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary, each Class B Member shall be entitled to receive, in priority to the holders of any other class of Shares in the Company, an amount equal to their pro rata share of the Class B Liquidation Preference Amount (calculated by reference to the number of Class B Preferred Shares held by the relevant Class B Member as a percentage of all issued Class B Preferred Shares held by all Class B Members). In the event that the assets of the Company are insufficient to pay in full the Class B Liquidation Preference Amount, the entitlement of each Class B Member shall be reduced ratably. For the liquidation purposes, the Class B Shares shall be considered Senior Shares. After the payment to any Class B Member of their full entitlement to their pro rata share of the Class B Liquidation Preference Amount for each of such Class B Member's Class B Preferred Shares, such Class B Member as such shall have no right or claim to any of the remaining assets of the Company.

The Memorandum and Articles of Association do not include sinking fund provisions, redemption provisions, liability to further capital calls by the Company and there are no provisions discriminating against any existing or prospective holder of securities as a result of the shareholder owning a substantial number of shares with regards to the Class B Preferred Shares.

On December 22, 2021, the Board of Directors of the Company unanimously passed a resolution to amend the Memorandum and Articles of Association (the "Amended M&A II") to amend the definition of "Class B Conversion Date" of Class B preferred shares, on which the Class B preferred shares of the Company shall automatically convert into ordinary shares of the Company. Under the Amended M&A II, the "Class B Conversion Date" has been extended from two years after the date on which the Class B Preferred Shares were issued to thirty months after such issuance date.

As of December 31, 2021, there were 291,795,150 Class B preferred shares issued and outstanding.

Warrants

As of December 31, 2021, there were 623,078 warrants of the Company outstanding, of which 576,924 warrant were issued to investors of private placement in July 2018 and 46,154 warrants issued to placement agent of the private placement. These warrants will expire on July 9, 2022.

In connection with the private placement closed on July 10, 2018, the Company issued Series A warrants to investors to purchase a total of 576,924 ordinary shares with a warrant term of four (4) years. The Series A Warrants have an exercise price of \$2.60 per share. On January 9, 2019, the Board of the Company approved a downward adjustment of exercise price from \$2.6 to \$1.18. The Series A Warrants have customary anti-dilution protections including a “full ratchet” anti-dilution adjustment provision which are triggered in the event the Company sells or grants any additional shares of common stock, options, warrants or other securities that are convertible into common stock at a price lower than \$2.60 per share. The anti-dilution adjustment provision is not triggered by certain “exempt issuances” which among other issuances, includes the issuance of shares of common stock, options or other securities to officers, employees, directors, consultants or service providers.

In connection with the private placement closed on July 10, 2018, the investors also received Series B warrants with an initial face amount of 200,000 ordinary shares, which are subject to adjustment not in excess of an aggregate of 462,843 ordinary shares (the “Series B Warrants”) for nominal consideration. If on the 30th day after the closing date of the transaction (the “Adjustment Date”), the closing bid price of the Company’s ordinary shares is less than \$2.60, the investors shall have the right to exercise the Series B Warrants and the number of ordinary shares to be issued to the investors upon exercise of the Series B Warrants shall be adjusted (upward or downward, as necessary) based on the closing bid price of the Company’s ordinary shares on such date. On August 9, 2018, the closing bid price of the Company’s ordinary shares was \$1.29, and thus the investors exercised the Series B Warrant for 390,579 ordinary shares at \$391.

On April 6, 2018, the Company entered into a letter agreement with FT Global Capital, Inc., as exclusive placement agent (the “Placement Agent”), pursuant to which the Placement Agent has agreed to act as placement agent on a best efforts basis in connection with the above offering. In addition to the cash payments, the Company has also agreed to issue to the Placement Agent a warrant to purchase a number of ordinary shares equal to 6.0% of the aggregate number of ordinary shares sold in this offering, which warrant will have the same term as Series A Warrants, including exercise price, vesting period and anti-dilution terms.

The Company had issued 9,280,323 warrants, of which 6,860,063 were designated “public warrants,” 33,134 are designated “private warrants”, 1,387,126 were designated “Sponsor warrants”, and 1,000,000 warrants were transferred to employees of the Company from DeTiger. These warrants have all expired on July 6, 2021 at 5:00 p.m., New York City time.

Purchase Option

EarlyBird (and/or its designees) was issued an option to purchase up to 600,000 units at \$11.75 per unit. The option represented the right to purchase up to 660,000 ordinary shares and 600,000 warrants to purchase 300,000 full shares. The purchase option may be exercised for cash or on a cashless basis, at the holder's option, at any time prior to September 30, 2019, the five-year anniversary of the effective date of the IPO registration statement. Notwithstanding anything to the contrary, neither the option nor the warrants underlying the option shall be exercisable after September 30, 2019. The option grants to holders demand and "piggy back" rights for periods of five and seven years, respectively, from September 30, 2014 (the effective date of the IPO registration statement) with respect to the registration under the Securities Act of the securities directly and indirectly issuable upon exercise of the option. We will bear all fees and expenses attendant to registering the securities, other than underwriting commissions, which will be paid for by the holders themselves. The exercise price and number of units issuable upon exercise of the option may be adjusted in certain circumstances including in the event of a stock dividend, or our recapitalization, reorganization, merger or consolidation. However, the option will not be adjusted for issuances of ordinary shares at a price below its exercise price. We will have no obligation to net cash settle the exercise of the purchase option or the rights or warrants underlying the purchase option. The holder of the purchase option will not be entitled to exercise the purchase option or the warrants underlying the purchase option unless a registration statement covering the securities underlying the purchase option is effective or an exemption from registration is available. If the holder is unable to exercise the purchase option or underlying warrants, the purchase option or warrants, as applicable, will expire worthless. The purchase option was not exercised by the option holder prior to September 30, 2019 and, therefore, was expired in the year ended December 31, 2019.

Registration Rights

Concurrently with the consummation of our IPO, in October 2014, the Company granted certain investors registration rights pursuant to a Registration Rights Agreement. The holders of 25% of the securities subject to the Registration Rights Agreement are entitled to make up to three demands, excluding short form registration demands, that we register such securities for sale under the Securities Act. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our Business Combination.

We have agreed to use commercially reasonable efforts to have a registration statement registering the resale of the Company's ordinary shares issuable upon conversion of the Class A Convertible Preferred Shares under the Securities Act declared effective within one hundred eighty (180) days after the closing of the Business Combination.

On July 6, 2016 and in connection with the Business Combination, the Company entered into a Registration Rights Agreement with the Sellers. Under the Registration Rights Agreement, the Sellers hold registration rights that will obligate the Company to register for resale under the Securities Act, all or any portion of the shares held by them issued in connection with the share exchange so long as such shares are not then restricted under the Lock-Up Agreement. Subject to certain exceptions, if any time after the closing of the Business Combination, the Company proposes to file a registration statement under the Securities Act with respect to its securities, under the Registration Rights Agreement, the Company shall give notice to the Sellers as to the proposed filing and offer the Sellers an opportunity to register the sale of such number of shares as requested by the Sellers in writing. In addition, subject to certain exceptions, Sellers will be entitled under the Registration Rights Agreement to request in writing that the Company register the resale of their shares on Form F-3 and any similar short-form registration that may be available at such time.

Pursuant to a registration statement on Form F-1 declared effective on December 21, 2017, we registered 2,229,572 Ordinary Shares, 2,420,260 Warrants to purchase Ordinary Shares and 1,210,130 Ordinary Shares issuable upon exercise of our warrants.

Escrow Agreements

On July 6, 2016 and in connection with the Business Combination, the Company and the seller representative (on behalf of the Sellers) entered into an Escrow Agreement with Continental Stock Transfer & Trust Company. Pursuant to the Escrow Agreement, the escrow agent will hold the escrow shares in a segregated escrow account, to be held and disbursed as agreed to in the Share Exchange Agreement.

Differences in Corporate Law

The Companies Act and the laws of the British Virgin Islands affecting British Virgin Islands companies like us and our shareholders differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the material differences between the provisions of the laws of the British Virgin Islands applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

Under the laws of the British Virgin Islands, two or more companies may merge or consolidate in accordance with Section 170*et seq.* of the Companies Act. A merger means the merging of two or more constituent companies into one of the constituent companies and a consolidation means the uniting of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent company must approve a written

Shareholders not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan of merger or consolidation contains any provision which, if proposed as an amendment to the memorandum or articles of association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting to approve the plan of merger or consolidation.

The shareholders of the constituent companies are not required to receive shares of the surviving or consolidated company but may receive debt obligations or other securities of the surviving or consolidated company, other assets, or a combination thereof. Further, some or all of the shares of a class or series may be converted into a kind of asset while the other shares of the same class or series may receive a different kind of asset. As such, not all the shares of a class or series must receive the same kind of consideration.

After the plan of merger or consolidation has been approved by the directors and authorized by a resolution of the shareholders, articles of merger or consolidation (containing the plan of merger or consolidation) are executed by each company and filed with the Registrar of Corporate Affairs in the British Virgin Islands.

A shareholder may dissent from a mandatory redemption of his shares, an arrangement (if permitted by the court), a merger (unless the shareholder was a shareholder of the surviving company prior to the merger and continues to hold the same or similar shares after the merger) or a consolidation. A shareholder properly exercising his dissent rights is entitled to a cash payment equal to the fair value of his shares.

A shareholder dissenting from a merger or consolidation must object in writing to the merger or consolidation before the vote by the shareholders on the merger or consolidation, unless notice of the meeting was not given to the shareholder, or it was approved by written resolution without a meeting. This objection must include a statement that the shareholder proposes to demand payment for their shares in the action is taken. If the merger or consolidation is approved by the shareholders, the company must give notice of this fact to each shareholder within 20 days who gave written objection. These shareholders then have 20 days to give to the company their written election in the form specified by the Companies Act to dissent from the merger or consolidation, provided that in the case of a merger, the 20 days starts when the plan of merger is delivered to the shareholder.

Upon giving notice of his election to dissent, a shareholder ceases to have any shareholder rights except the right to be paid the fair value of his shares. As such, the merger or consolidation may proceed in the ordinary course notwithstanding his dissent.

Within seven days of the later of the expiration of the period within which shareholders may give their notice of election to dissent and the effective date of the merger or consolidation, the company must make a written offer to each dissenting shareholder to purchase his shares at a specified price per share that the company determines to be the fair value of the shares. The company and the shareholder then have 30 days to agree upon the price. If the company and a shareholder fail to agree on the price within the 30 days, then the company and the shareholder shall, within 20 days immediately following the expiration of the 30-day period, each designate an appraiser and these two appraisers shall designate a third appraiser. These three appraisers shall fix the fair value of the shares as of the close of business on the day prior to the shareholders' approval of the transaction without taking into account any change in value as a result of the transaction.

Anti-takeover provisions in our memorandum and articles of association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable. Under British Virgin Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association, as amended and restated from time to time, as they believe in good faith to be in the best interests of our company.

Directors' Interests

While a director may, subject to the constitutional documents of the relevant company, vote on the plan of merger or consolidation even if he has a financial interest in the plan, the interested director must disclose the interest to all other directors of the company promptly upon becoming aware of the fact that he is interested in the transaction entered into or to be entered into by the company.

(a) a director's power to vote on a proposal, arrangement or contract in which the director is materially interested;

Any director of the Company who has an interest in any transaction entered into or to be entered into by the Company, must forthwith disclose that interest to all other directors of the Company. A disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

A transaction entered into by our Company in respect of which a director is interested is voidable by us unless the director's interest was (a) disclosed to the board prior to the transaction or (b) the transaction is (i) between the director and the Company and (ii) the transaction is in the ordinary course of the Company's business and on usual terms and conditions.

Notwithstanding an interest in a transaction, and subject to the discussion below, a director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Companies Act and the Company's articles of association shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

In addition to the above, prior to the consummation of any transaction with:

- (a) any affiliate of the Company;
- (b) any shareholder owning an interest in the voting power of the Company that gives such shareholder a significant influence over the Company;
- (c) any director or executive officer of the Company and any relative of such director or executive officer; and
- (d) any person in which a substantial interest in the voting power of the Company is owned, directly or indirectly, by a person referred to in (b) and (c) or over which such a person is able to exercise significant influence,

such transaction must be approved by a majority of the members of the board of directors who do not have an interest in the transaction, such directors having been provided with access (at the Company's expense) to the Company's attorney or independent legal counsel, unless the disinterested directors determine that the terms of such transaction are no less favourable to the Company than those that would be available to the Company with respect to such a transaction from unaffiliated third parties.

(b) the directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body;

The emoluments of our directors are set by resolution of directors, and are therefore subject to the limitations on the abilities of directors to act with respect to transactions in which they have an interest. In the absence of an independent quorum, a director may not vote compensation to themselves, their relatives, or any body in which they have an interest.

(c) borrowing powers exercisable by the directors and how such borrowing powers can be varied; and

Our articles of association provide that the directors of the Company may, by resolution of directors, exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party. Any variation to this power would require our articles of association to be amended to include such variation.

(d) retirement or non-retirement of directors under an age limit requirement.

There is no age at which our directors must retire from their positions with the Company.

Shareholder action by written consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. British Virgin Islands law provides that, subject to the memorandum and articles of association of a company, that company's shareholders may approve corporate matters by way of a written resolution without a meeting signed by or on behalf of shareholders sufficient to constitute the requisite majority of shareholders who would have been entitled to vote on such matter at a general meeting; provided that if the consent is less than unanimous, notice must be given to all non-consenting shareholders. Our memorandum and articles of association permit shareholders to act by written consent.

Shareholder proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings. British Virgin Islands law allows shareholders holding not less than 30% of the votes of the outstanding voting shares to requisition a shareholders' meeting. We are not obliged by law to call shareholders' annual general meetings, but our memorandum and articles of association do permit the directors to call such a meeting.

Cumulative voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under British Virgin Islands law, our memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors can be removed from office, with or without cause, by a resolution of shareholders passed at a meeting of shareholders called for the purposes of removing the Director, by a written resolution passed by at least 75% of our shareholders or by a resolution of directors passed at a meeting of directors.

Transactions with interested shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors. British Virgin Islands law has no comparable statute. Our Memorandum and Articles of Association allows interested party transactions to be approved by a majority of the members of the Board of Directors who do not have an interest in the transaction, if such directors having been provided with access to the Company's attorney or independent legal counsel, unless the disinterested directors determine that the terms of such transaction are no less favorable to the Company than those that would be available to the Company with respect to such a transaction from unaffiliated third parties.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under the Companies Act and our memorandum and articles of association, we may appoint a voluntary liquidator by a resolution of the shareholders or a resolution of the directors.

Variation of rights of shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, if at any time our shares are divided into different classes of shares, the rights attached to any class may only be varied, whether or not our company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued shares in that class that are entitled to vote on the variation and actually vote thereon.

Amendment of governing documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by British Virgin Islands law, our memorandum and articles of association may be amended by a resolution of shareholders and, subject to certain exceptions, by a resolution of directors. Any amendment is effective from the date it is registered at the Registry of Corporate Affairs in the British Virgin Islands.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" or elsewhere in this Annual Report.

D. Exchange controls

The principal regulations governing foreign currency exchange in the PRC are the Foreign Exchange Administration Regulations promulgated by the State Council, as amended on August 5, 2008, or the Foreign Exchange Regulations. Under the Foreign Exchange Regulations, the RMB is freely convertible for current account items, as long as true and lawful transaction basis is provided, but not for capital account items, such as capital transfer, direct investments, loans, repatriation of investments, investments in securities and derivatives outside of the PRC, unless the prior approval of the State Administration of Foreign Exchange, or the SAFE, is obtained and prior registration with the SAFE is made.

E. Taxation

The following description is not intended to constitute a complete analysis of all tax consequences relating to the ownership and disposition of our securities. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

British Virgin Islands Taxation

Under the law of the British Virgin Islands as currently in effect, a holder of our shares who is not a resident of the British Virgin Islands is not liable for British Virgin Islands income tax on dividends paid with respect to our shares, and all holders of our securities are not liable to the British Virgin Islands for income tax on gains realized on the sale or disposal of such securities. The British Virgin Islands does not impose a withholding tax on dividends paid by a company incorporated or re-registered under the Companies Act.

There are no capital gains, gift or inheritance taxes levied by the British Virgin Islands on companies incorporated or re-registered under the Companies Act, unless the relevant company has an interest in land located in the British Virgin Islands. In addition, and subject to the same caveat, In addition, securities of companies incorporated or re-registered under the Companies Act are not subject to transfer taxes, stamp duties or similar charges.

There is no income tax treaty or convention currently in effect between the United States and the British Virgin Islands, although a Tax Information Exchange Agreement is in force.

U.S. Federal Income Taxation

General

The following is a summary of the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares. The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply to a beneficial owner of our ordinary shares that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

A beneficial owner of our ordinary shares that is described above is referred to herein as a “U.S. Holder.” If a beneficial owner of our ordinary shares is not described as a U.S. Holder and is not an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes, such owner will be considered a “Non-U.S. Holder.” The material U.S. federal income tax consequences applicable specifically to Non-U.S. Holders are described below under the heading “Non-U.S. Holders.”

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, Treasury regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These authorities are subject to change or differing interpretations, possibly on a retroactive basis.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder’s individual circumstances. In particular, this discussion considers only holders that own and hold our ordinary shares as capital assets within the meaning of Section 1221 of the Code, and does not discuss the potential application of the alternative minimum tax or the U.S. federal income tax consequences to holders that are subject to special rules, including:

- financial institutions or financial services entities;
- broker-dealers;
- persons that are subject to the mark-to-market accounting rules under Section 475 of the Code;
- tax-exempt entities;
- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- persons that actually or constructively own 5% or more of our voting shares;

- persons that acquired our ordinary shares pursuant to an exercise of employee options, in connection with employee incentive plans or otherwise as compensation;
- persons that hold our ordinary shares as part of a straddle, constructive sale, hedging, conversion or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- controlled foreign corporations; or
- passive foreign investment companies.

This discussion does not address any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, or state, local or non-U.S. tax laws or, except as discussed herein, any tax reporting obligations applicable to a holder of our ordinary shares. Additionally, this discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our ordinary shares through such entities. If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of our ordinary shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. This discussion also assumes that any distribution made (or deemed made) in respect of our ordinary shares and any consideration received (or deemed received) by a holder in connection with the sale or other disposition of such ordinary shares will be in U.S. dollars. In addition, this discussion assumes that we will be treated as a foreign corporation for U.S. federal income tax purposes.

We have not sought, and will not seek, a ruling from the Internal Revenue Service (“IRS”) or an opinion of counsel as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court. Moreover, there can be no assurance that future legislation, regulations, administrative rulings or court decisions will not adversely affect the accuracy of the statements in this discussion.

THIS DISCUSSION IS ONLY A SUMMARY OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES. IT IS NOT TAX ADVICE. EACH HOLDER OF OUR ORDINARY SHARES IS URGED TO CONSULT ITS OWN TAX ADVISOR IN RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL TAX LAWS AND ANY APPLICABLE TAX TREATIES.

U.S. Holders

Taxation of Cash Distributions Paid on Ordinary Shares

Subject to the passive foreign investment company (“PFIC”) rules discussed below, a U.S. Holder generally will be required to include in gross income as ordinary income the amount of any cash dividend paid on our ordinary shares. A cash distribution on such ordinary shares generally will be treated as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Such dividend generally will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. The portion of such cash distribution, if any, in excess of such earnings and profits will be applied against and reduce (but not below zero) the U.S. Holder’s adjusted tax basis in our ordinary shares. Any remaining excess generally will be treated as gain from the sale or other taxable disposition of such ordinary shares.

With respect to non-corporate U.S. Holders, any such dividends may be subject to U.S. federal income tax at the lower applicable regular long term capital gains tax rate (see “— Taxation on the Disposition of Ordinary Shares” below) provided that (1) our ordinary shares are readily tradable on an established securities market in the United States, (2) we are not a PFIC, as discussed below, for either the taxable year in which such dividend was paid or the preceding taxable year, and (3) certain holding period requirements are met. Under published IRS authority, ordinary shares are considered for purposes of clause (1) above to be readily tradable on an established securities market in the United States only if they are listed on certain exchanges, which presently include the Nasdaq Capital Market. Although our ordinary shares are currently listed on the Nasdaq Capital Market, U.S. Holders nevertheless should consult their own tax advisors regarding the availability of the lower rate for any dividends paid in respect to our ordinary shares.

Taxation on the Disposition of Ordinary Shares

Upon a sale or other taxable disposition of our ordinary shares, and subject to the PFIC rules discussed below, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder’s adjusted tax basis in the ordinary shares.

The regular U.S. federal income tax rate on capital gains recognized by U.S. Holders generally is the same as the regular U.S. federal income tax rate on ordinary income, except that long-term capital gains recognized by non-corporate U.S. Holders generally are subject to U.S. federal income tax at a maximum regular rate of 20%. Capital gain or loss will constitute long-term capital gain or loss if the U.S. Holder’s holding period for the ordinary shares exceeds one year. The deductibility of capital losses is subject to various limitations.

Passive Foreign Investment Company Rules

A foreign (i.e., non-U.S.) corporation will be a PFIC if either (a) at least 75% of its gross income in a taxable year of the foreign corporation, including its pro rata share of the gross income of any corporation in which it is considered to own at least 25% of the shares by value, is passive income, or (b) at least 50% of its assets in a taxable year of the foreign corporation, ordinarily determined based on fair market value and averaged quarterly over the year, including its pro rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents and royalties (other than certain rents or royalties derived from the active conduct of a trade or business), and gains from the disposition of passive assets.

Based on the composition (and estimated values) of the assets and the nature of our income and that of our subsidiaries during the taxable year ended December 31, 2018, we believe that we may be treated as a PFIC for such year. However, because we have not performed a definitive analysis as to our PFIC status for such taxable year, there can be no assurance in respect to our PFIC status for such taxable year. There also can be no assurance in respect to our status as a PFIC for our current taxable year or any future taxable year.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of our ordinary shares, and such U.S. Holder did not make either a timely qualified electing fund (“QEF”) election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) our ordinary shares, a QEF election along with a purging election or a mark-to-market election, each as described below, such holder generally will be subject to special rules for regular U.S. federal income tax purposes in respect to:

- any gain recognized by the U.S. Holder on the sale or other disposition of its ordinary shares; and
- any “excess distribution” made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the ordinary shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder’s holding period for the ordinary shares).

Under these rules,

- the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for the ordinary shares;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we qualified as a PFIC, will be taxed as ordinary income;
- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such other taxable year of the U.S. Holder.

In general, if we are determined to be a PFIC, a U.S. Holder may avoid the PFIC tax consequences described above in respect to our ordinary shares by making a timely QEF election (or a QEF election along with a purging election). Pursuant to the QEF election, a U.S. Holder will be required to include in income its pro rata share of our net capital gains (as long-term capital gain) and other earnings and profits (as ordinary income), on a current basis, in each case whether or not distributed, in the taxable year of the U.S. Holder in which or with which our taxable year ends. A U.S. Holder may make a separate election to defer the payment of taxes on undistributed income inclusions under the QEF rules, but if deferred, any such taxes will be subject to an interest charge.

The QEF election is made on a shareholder-by-shareholder basis and, once made, can be revoked only with the consent of the IRS. A U.S. Holder generally makes a QEF election by attaching a completed IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund), including the information provided in a PFIC annual information statement, to a timely filed U.S. federal income tax return for the taxable year to which the election relates. Retroactive QEF elections generally may be made only by filing a protective statement with such return and if certain other conditions are met or with the consent of the IRS.

In order to comply with the requirements of a QEF election, a U.S. Holder must receive certain information from us. Upon request from a U.S. Holder, we will endeavor to provide to the U.S. Holder no later than 90 days after the request such information as the IRS may require, including a PFIC annual information statement, in order to enable the U.S. Holder to make and maintain a QEF election. However, there is no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided.

If a U.S. Holder has made a QEF election in respect to our ordinary shares, and the special tax and interest charge rules do not apply to such ordinary shares (because of a timely QEF election for our first taxable year as a PFIC in which the U.S. Holder holds (or is deemed to hold) such shares or a QEF election along with a purge of the PFIC taint pursuant to a purging election, as described below), any gain recognized on the sale or other taxable disposition of such ordinary shares generally will be taxable as capital gain and no interest charge will be imposed. As discussed above, for regular U.S. federal income tax purposes, U.S. Holders of a QEF are currently taxed on their pro rata shares of the QEF's earnings and profits, whether or not distributed. In such case, a subsequent distribution of such earnings and profits that were previously included in income generally should not be taxable as a dividend to such U.S. Holders. The adjusted tax basis of a U.S. Holder's ordinary shares in a QEF will be increased by amounts that are included in income, and decreased by amounts distributed but not taxed as dividends, under the above rules. Similar basis adjustments apply to property if by reason of holding such property the U.S. Holder is treated under the applicable attribution rules as owning ordinary shares in a QEF.

Although a determination as to our PFIC status will be made annually, an initial determination that we are a PFIC generally will apply for subsequent years to a U.S. Holder who held our ordinary shares while we were a PFIC, whether or not we meet the test for PFIC status in those subsequent years. A U.S. Holder who makes the QEF election discussed above for our first taxable year as a PFIC in which the U.S. Holder holds (or is deemed to hold) our ordinary shares, however, will not be subject to the PFIC tax and interest charge rules discussed above in respect to such ordinary shares. In addition, such U.S. Holder will not be subject to the QEF inclusion regime in respect to such ordinary shares for any of our taxable years that end within or with a taxable year of the U.S. Holder and in which we are not a PFIC. On the other hand, if the QEF election is not effective for each of our taxable years in which we are a PFIC and during which the U.S. Holder holds (or is deemed to hold) our ordinary shares, the PFIC rules discussed above will continue to apply to such shares unless the holder files on a timely filed U.S. income tax return (including extensions) a QEF election and a purging election to recognize under the rules of Section 1291 of the Code any gain that it would otherwise recognize if the U.S. Holder sold shares for their fair market value on the “qualification date.” The qualification date is the first day of our tax year in which we qualify as a QEF with respect to such U.S. Holder. The purging election can only be made if such U.S. Holder held shares on the qualification date. The gain recognized by the purging election generally will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above. As a result of the purging election, the U.S. Holder generally will increase the adjusted tax basis in its shares by the amount of gain recognized and will also have a new holding period in the shares for purposes of the PFIC rules.

Alternatively, if a U.S. Holder, at the close of its taxable year, owns ordinary shares in a PFIC that are treated as marketable stock, the U.S. Holder may make a mark-to-market election in respect to such ordinary shares for such taxable year. If the U.S. Holder makes a valid mark-to-market election for the first taxable year of the U.S. Holder in which the U.S. Holder holds (or is deemed to hold) our ordinary shares and for which we are determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect to its ordinary shares as long as such shares continue to be treated as marketable stock. Instead, in general, the U.S. Holder will include as ordinary income for each year that we are treated as a PFIC the excess, if any, of the fair market value of its ordinary shares at the end of its taxable year over the adjusted tax basis in its ordinary shares. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted tax basis of its ordinary shares over the fair market value of its ordinary shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder’s adjusted tax basis in its ordinary shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of the ordinary shares in a taxable year in which we are treated as a PFIC will be treated as ordinary income. Special tax rules may also apply if a U.S. holder makes a mark-to-market election for a taxable year after the first taxable year in which the U.S. Holder holds (or is deemed to hold) its ordinary shares and for which we are determined to be a PFIC.

The mark-to-market election is available only for stock that is regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission, including the Nasdaq Capital Market, or on a foreign exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. Although our ordinary shares are currently listed on the Nasdaq Capital Market, U.S. Holders nevertheless should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to our ordinary shares.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, a U.S. Holder of our ordinary shares generally should be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, or the U.S. Holder were otherwise deemed to have disposed of an interest in, the lower-tier PFIC. Upon request, we will endeavor to cause any lower-tier PFIC to provide to a U.S. Holder no later than 90 days after the request the information that may be required to make or maintain a QEF election in respect to the lower-tier PFIC. However, there is no assurance that we will have timely knowledge of the status of any such lower-tier PFIC or will be able to cause the lower-tier PFIC to provide the required information. A mark-to-market election generally would not be available in respect to such a lower-tier PFIC. U.S. Holders are urged to consult their own tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. Holder that owns (or is deemed to own) ordinary shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a QEF election or mark-to-market election is or has been made) with such U.S. Holder's U.S. federal income tax return and provide such other information as may be required by the U.S. Treasury Department.

The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of our ordinary shares should consult their own tax advisors concerning the application of the PFIC rules to our ordinary shares under their particular circumstances.

Additional Taxes

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally will be subject to a 3.8% Medicare contribution tax on unearned income, including, without limitation, dividends on, and gains from, the sale or other taxable disposition of, our ordinary shares, subject to certain limitations and exceptions. Under applicable regulations, in the absence of a special election, such unearned income generally would not include income inclusions under the QEF rules discussed above under “— Passive Foreign Investment Company Rules,” but would include distributions of earnings and profits from a QEF. U.S. Holders should consult their own tax advisors regarding the effect, if any, of such tax on their ownership and disposition of our ordinary shares.

Non-U.S. Holders

Cash dividends paid to a Non-U.S. Holder in respect to our ordinary shares generally will not be subject to U.S. federal income tax unless such dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States).

In addition, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain attributable to a sale or other taxable disposition of our ordinary shares unless such gain is effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States) or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale or other disposition and certain other conditions are met (in which case, such gain from U.S. sources generally is subject to U.S. federal income tax at a 30% rate or a lower applicable tax treaty rate).

Cash dividends and gains that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States) generally will be subject to regular U.S. federal income tax at the same regular U.S. federal income tax rates as applicable to a comparable U.S. Holder and, in the case of a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes, may also be subject to an additional branch profits tax at a 30% rate or a lower applicable tax treaty rate.

Backup Withholding and Information Reporting

In general, information reporting for U.S. federal income tax purposes will apply to cash distributions made on our ordinary shares within the United States to a U.S. Holder (other than an exempt recipient) and to the proceeds from sales and other dispositions of our ordinary shares by a U.S. Holder (other than an exempt recipient) to or through a U.S. office of a broker. Payments made (and sales and other dispositions effected at an office) outside the United States will be subject to information reporting in limited circumstances. In addition, certain information concerning a U.S. Holder's adjusted tax basis in its ordinary shares and adjustments to that tax basis and whether any gain or loss with respect to such ordinary shares is long-term or short-term also may be required to be reported to the IRS, and certain holders may be required to file an IRS Form 8938 (Statement of Specified Foreign Financial Assets) to report their interest in our ordinary shares.

Moreover, backup withholding of U.S. federal income tax at a rate of 28%, generally will apply to cash dividends paid on our ordinary shares to a U.S. Holder (other than an exempt recipient) and the proceeds from sales and other dispositions of our ordinary shares by a U.S. Holder (other than an exempt recipient), in each case who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that backup withholding is required; or
- in certain circumstances, fails to comply with applicable certification requirements.

A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Rather, the amount of any backup withholding will be allowed as a credit against a U.S. Holder's or a Non-U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS. Holders are urged to consult their own tax advisors regarding the application of backup withholding and the availability of and procedures for obtaining an exemption from backup withholding in their particular circumstances.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on display

You may inspect our securities filings, including this Annual Report and the exhibits and schedules thereto, without charge at the offices of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of the Annual Report from the Public Reference Section of the SEC, 100 F Street, NE, Washington, D.C. 20549 upon the payment of the prescribed fees. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants like us that file electronically with the SEC. You can also inspect the Annual Report on this website.

A copy of each document (or a translation thereof to the extent not in English) concerning our company that is referred to in this Annual Report is available for public view (subject to confidential treatment of certain agreements pursuant to applicable law) at our principal executive offices.

I. Subsidiary Information

See "Item 4. Information on the Company – C. Organizational Structure."

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Credit Risk

Credit risk is one of the most significant risks for the Company's business. Credit risk exposures arise principally in financial guarantee activities which is an off-balance sheet financial instrument.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures including due-diligence visits and post-lending visits to the clients. The Company manages credit risk through in-house research and analysis of the Chinese economy and the underlying obligors and transaction structures. To minimize credit risk, the Company requires collateral in the form of rights to cash, securities or property and equipment. The Company identifies credit risk collectively based on industry, geography and customer type. This information is monitored regularly by management.

- *Financial guarantee activities*

In measuring the credit risk of financial guarantee services with customers, the Company mainly reflects the "probability of default" by the customer on its contractual obligations and considers the current financial position of the customer and the exposures to the customer and its likely future development.

The Company manages their credit risk guarantee exposure by performing preliminary credit checks of each guarantee customer and ongoing monitoring of payments each month. Management periodically reviews the probability of default of guarantee customer and will accrue a guarantee liability when necessary.

In addition, the Company calculates the provision amount as below:

1. General Reserve - is based on total balance of off-balance-sheet guarantee and to be used to cover unidentified probable loan loss. According to management assessment, the General Reserve is required to be no less than 1% of total loan guarantee balance.
2. Specific Reserve – is based on a guarantee by guarantee basis covering losses due to risks related to the ability and intention of repayment of guarantee commissions by each customer. The reserve rate was individually assessed based on management estimate of guarantee fee commission collectability. According to management assessment, the Specific Reserve is no less than 50% of guarantee fee commission earned during the year.

The Company has been providing the financial guarantees of loans for limited history. The customer deposits or other assets are held as collateral for the repayment of each loan. As of December 31, 2021, the amount of outstanding loans and related interests that the Company has guaranteed is approximately \$47,020,055. The Company estimates the fair market value of the collateral to be approximately \$43,269,000 as of December 31, 2021.

- *Other operating activities*

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash and cash equivalents. The maximum exposure of such assets to credit risk is their carrying amount as at the balance sheet dates. As of December 31, 2021, the Company had no deposits with a bank in the United States. As of December 31, 2021, cash of \$1,947,142 and restricted cash of \$29,693,689, respectively, were primarily deposited in banks located in Mainland China, which were uninsured by the government authority. To limit exposure to credit risk relating to deposits, the Company primarily place cash deposits with large financial institutions in China which management believes are of high credit quality.

The Company's operations are carried out in Mainland China. Accordingly, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environments in the PRC as well as by the general state of the PRC's economy. In addition, the Company's business may be influenced by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, rates and methods of taxation, and the extraction of mining resources, among other factors.

Liquidity Risk

The Company is also exposed to liquidity risk which is risk that it is unable to provide sufficient capital resources and liquidity to meet its commitments and business needs. Liquidity risk is controlled by the application of financial position analysis and monitoring procedures. When necessary, the Company will turn to other financial institutions and the shareholders to obtain short-term funding to meet the liquidity shortage.

Foreign Currency Risk

Substantially all of the Company's operating activities and the Company's assets and liabilities are denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions take place either through the Peoples' Bank of China ("PBOC") or other authorized financial institutions at exchange rates quoted by PBOC. Approval of foreign currency payments by the PBOC or other regulatory institutions requires submitting a payment application form together with suppliers' invoices and signed contracts. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market.

Other risk

The Company's business, financial condition and results of operations may also be negatively impacted by risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, such as the COVID-19 outbreak and spread, which could significantly disrupt the Company's operations.

In December 2019, a novel strain of coronavirus (COVID-19) was first identified in China and has since spread rapidly globally. The outbreak of COVID-19 has resulted in quarantines, travel restrictions, and the temporary closure of offices and business facilities globally. In March 2020, the World Health Organization declared the COVID-19 a pandemic. In 2020 and 2021, COVID-19 had a material impact on our business, financial condition, and results of operations. After the second quarter of 2020, the COVID outbreak in China has gradually been controlled. Our business has also returned to normal operations, although management assessed that our results of operations had been negatively impacted for the year. In 2021, Omicron variants emerged, resulting in continued disruption to our business and the global economy and supply chain. COVID-19 could continue to adversely affect our business and results of operations in 2022 if any COVID resurgence causes significant disruptions to our operations or the business of our customers, logistics and service providers. COVID-19 could adversely affect our business and results of operations in 2021 if any COVID resurgence causes significant disruptions to our operations or the business of our customers, logistics and service providers. If any new outbreak of COVID-19 is not effectively and timely controlled, or if government responses to outbreaks or potential outbreaks are severe or long-lasting, our business operations and financial condition may be materially and adversely affected as a result of the deteriorating market outlook, the slowdown in regional and national economic growth, weakened liquidity and financial condition of our customers or other factors that we cannot foresee. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, cause uncertainties in the regions where we conduct business, and could materially and adversely impact our business, financial condition and results of operations.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See “Item 10. Additional Information” for a description of the changes to the rights of shareholders.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure controls and procedures

Material weaknesses and significant deficiencies consist of the following:

- The Company does not have a U.S. GAAP full-time designated professional accountant with U.S. GAAP experience to oversee daily accounting functions and handle non-routine or complex accounting transactions;
- Financial reporting system needs to be improved
- The Company does not have adequate cut off/period end closing procedures.

(b)-(c) Management’s annual report on internal control over financial reporting and attestation report of the registered public accounting firm

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment, it used the criteria established in the updated framework in the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 and updated in May 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. Based on our assessment, as of December 31, 2021, our internal control over financial reporting is ineffective.

The material weaknesses identified mainly because that we do not have sufficient personnel with appropriate levels of accounting knowledge and experience to address complex U.S. GAAP accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP.

To remedy identified material weakness, we have undertaken and will continue to undertake steps to strengthen our internal control over financial reporting. These measures include the following:

- We have hired new accounting staff and consultant with appropriate U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework;
- We have and will continue providing U.S. GAAP training to accounting department staff;
- We have taken steps to improve internal audit function and internal control policies, and monitoring controls, to ensure our operating processes follow our control procedures;
- We have assigned, and plan to continue to improve, clear oversight roles and responsibilities for accounting and financial reporting staff to address accounting and financial reporting issues.

Our management, including our Chief Executive Officer, believes the measures described above and others that will be implemented will remediate the control deficiencies identified and will strengthen our internal control over financial reporting. Management is committed to continuous improvement of the Company's internal control processes and will continue to diligently review our financial reporting controls and procedures.

We do not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud.

Attestation report of the registered public accounting firm

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the rules of the SEC.

(d) Change in internal control over financial reporting:

Except for the matters described above, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT.

Our Board of Directors has determined that Mr. John Chen, a member of our audit committee is an audit committee financial expert as defined by rules of the U.S. Securities and Exchange Commission and is an independent director under NASDAQ Listing Rules. Although we are not currently listed on the Nasdaq, we have opted to voluntarily comply with the Nasdaq Listing Rules.

ITEM 16B. CODE OF ETHICS.

We have adopted a Code of Ethics that applies to all of our employees, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer. Our Code of Ethics is available on our corporate website. If we amend or grant a waiver of one or more of the provisions of our Code of Ethics, we intend to satisfy the requirements under Form 6-K regarding the disclosure of amendments to or waivers from provisions of our Code of Ethics that apply to our principal executive officer, principal financial officer and principal accounting officer by posting the required information on our website at the above address. We will provide any person, free of charge, a copy of our code of ethics upon written request to our registered office.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

ZH CPA LLP (“ZH CPA”) was appointed by the Company on January 21, 2021 to serve as its independent registered public accounting firm for the year ended December 31, 2021.

The following table represents aggregate fees billed to us for professional services rendered for the fiscal years ended December 31, 2021 by ZH CPA:

	2021	2020
Audit Fees ⁽¹⁾	\$ 145,000	\$ 110,000
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	-	-
Total	\$ 145,000	\$ 110,000

- (1) The audit fees for the year ended December 31, 2021 and 2020 were for professional services rendered for the audit of our annual consolidated financial statements, review of the financial information included in our interim reports for the respective periods, the registration statement and other required filings with the SEC.
- (2) Audit-related fees for the year ended December 31, 2021 and 2020 were for assurance and related services that are reasonably related to performance of the audit or review of our consolidated financial statements and are not reported under “Audit Fees”.
- (3) Tax fees for the year ended December 31, 2021 and 2020 were for services related to tax compliance, including the preparation of tax returns and tax planning and tax advice.

The Audit Committee’s policy is to pre-approve all audit services and all non-audit services that our independent accountants are permitted to perform for us under applicable federal securities regulations. The Audit Committee’s policy utilizes an annual review and general pre-approval of certain categories of specified services that may be provided by the independent accountant, up to pre-determined fee levels. Any proposed services not qualifying as a pre-approved specified service, and pre-approved services exceeding the pre-determined fee levels, require further specific pre-approval by the Audit Committee. The Audit Committee has delegated to the Chairman of the Audit Committee the authority to pre-approve audit and non-audit services proposed to be performed by the independent accountants.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES.

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT.

See Item 16.C of this Annual Report on Form 20-F.

ITEM 16G. CORPORATE GOVERNANCE.

While the Company is not currently listed on the Nasdaq, it has opted to comply with the Nasdaq Listing Rules with respect to corporate governance as stated below. Pursuant to Nasdaq Listing Rule 5615(a)(3), the Company has amended its Articles of Association by resolution of its Board of Directors to remove the obligation to hold annual general meetings and shall follow British Virgin Islands practices in lieu of the requirements of Nasdaq Listing Rule 5620. Except as stated above, we currently intend to comply with all other rules generally applicable to U.S. domestic companies listed on NASDAQ.

ITEM 16H. MINE SAFETY DISCLOSURE.

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

PART III

ITEM 17. FINANCIAL STATEMENTS

Financial Statements are set forth under Item 18.

ITEM 18. FINANCIAL STATEMENTS

Our Financial Statements beginning on pages F-1 through F-45, as set forth in the following index. These Financial Statements are filed as part of this Annual Report.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Stockholders and Board of Directors of
Roan Holdings Group Co., Ltd.**

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Roan Holdings Group Co., Ltd. and subsidiaries (the “Company”, formerly known as China Lending Corporation) as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income (loss), changes in shareholders’ equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2021 and 2020, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2021 and 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for credit losses

As described in Note 3 (i) and Note 9 to the consolidated financial statements, the Company recorded accounts receivable of \$7,704,859. Management made assessment of potential losses based on the history loss rate and adjusted of current condition and forecast change. As of December 31, 2021, the Company had current credit loss against doubtful accounts receivable of \$775,330.

As described in Note 3 (j) and Note 11 to the consolidated financial statements, the Company recorded loan receivable due from third parties of \$23,790,917. Management estimated expected credit losses on loan receivable and reflected the best estimate of the amount what will not be collected. As of December 31, 2021, the Company had current credit loss against doubtful accounts receivable of \$39,446.

The principal considerations for our determination that performing procedures relating to the allowance for accounts receivable and loan receivable is critical audit matter are (i) the significant judgment by management when developing their estimate, which in turn led to a high degree of auditor judgment and subjectivity in performing procedures relating to the allowance; and (ii) there was significant auditor effort and judgment in evaluating the audit evidence relating to the significant assumptions, related to the loss rate.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included:

- Assessing the reasonableness of management methodologies;
- Evaluating and testing management’s allowance estimates and key inputs;
- Inquiring with management on the collectability on each individual significant amounts and corroborating with the evidences obtained during our audit;
- Verifying the rates used in CECL test and allowance calculation;
- Recalculating the amounts in accordance with the Company’s accounting policy
- Performing subsequent accounts receivable and loan receivable collection test;
- Assessing the adequacy of the disclosure in the financial report.

/s/ ZH CPA, LLC

We have served as the Company’s auditor since 2020.

Denver, Colorado

April 22, 2022

PCAOB ID: 6413

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Roan Holdings Group Co., Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of operations and comprehensive income, changes in shareholders' equity and cash flows of Roan Holdings Group Co., Ltd. (the "Company", formerly known as China Lending Corporation) for the year ended December 31, 2019, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Friedman LLP

We served as the Company's auditor since 2017 to 2020.

New York, New York
June 26, 2020

One Liberty Plaza, 165 Broadway, 21st Floor, New York, NY 10006 p 212.842.7000

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Your livelihood, empowered.

An Independent Member Firm of DFK with offices worldwide.



ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2021 and 2020
(Expressed in U.S. dollar, except for the number of shares)

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 1,947,142	\$ 4,932,048
Restricted cash	29,693,689	25,875,556
Accounts receivable, net	6,929,529	6,939,352
Inventories	33,598	30,348
Loan receivables due from third parties, net	23,751,471	17,670,652
Due from related parties	5,941	94,023
Other current assets	70,910	3,502,550
Other receivables, net	656,835	3,545,753
Total current assets	63,089,115	62,590,282
Pledged deposits	48,752	462,835
Property and equipment, net	77,073	65,073
Intangible assets, net	3,123,394	3,977,867
Right of use assets	37,313	346,017
Goodwill	267,331	261,087
Total non-current assets	3,553,863	5,112,879
Total Assets	\$ 66,642,978	\$ 67,703,161
LIABILITIES		
Customer pledged deposits	\$ 7,846	\$ 7,664
Unearned income	72,523	130,772
Reserve for financial guarantee losses	651,341	579,364
Dividends payable	480,000	480,000
Tax payable	2,614,257	1,767,214
Due to related parties	123,117	281,369
Warrant liabilities	16,998	13,977
Operating lease liabilities, current portion	65,498	191,643
Accrued expenses and other liabilities	1,155,903	1,642,060
Bank loans	5,961,460	8,826,054
Total current liabilities	11,148,943	13,920,117
Operating lease liabilities, noncurrent portion	-	102,767
Deferred tax liabilities	544,355	793,848
Total non-current Liabilities	544,355	896,615
Total Liabilities	\$ 11,693,298	\$ 14,816,732
Commitments and Contingencies	-	-
Shareholders' Equity		
Ordinary Share, no par value, unlimited shares authorized; 25,287,851 and 25,287,851 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	-	-
Class A convertible preferred shares, no par value, unlimited shares authorized; 715,000 and 715,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	\$ 11,711,727	\$ 11,025,327
Class B convertible preferred shares, no par value, unlimited shares authorized; 291,795,150 and 291,795,150 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	31,087,732	31,087,732
Additional paid-in capital	3,312,189	3,312,189
Statutory reserve	362,797	202,592
Accumulated deficit	(14,805,802)	(14,330,288)
Accumulated other comprehensive income	3,128,086	2,310,369
Total Roan Holdings Group Co., Ltd.'s Shareholders' Equity	\$ 34,796,729	\$ 33,607,921
Noncontrolling interests	20,152,951	19,278,508
Total Equity	54,949,680	52,886,429
Total Liabilities and Equity	\$ 66,642,978	\$ 67,703,161

The accompanying notes are an integral part of the consolidated financial statements

ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Years Ended December 31, 2021, 2020 and 2019
(Expressed in U.S. dollar, except for the number of shares)

	For the Years Ended December 31,		
	2021	2020	2019
Revenues from services	\$ 793,291	\$ 2,128,153	\$ 639,220
Revenues from healthcare service packages	-	55,301	-
Cost of revenues	-	(50,774)	(8,080)
Net revenues of services	793,291	2,132,680	631,140
Commissions and fees on financial guarantee services	456,944	375,471	8,797
Provision for financial guarantee services	(57,417)	(89,865)	(5,008)
Commission and fee income on guarantee services, net	399,527	285,606	3,789
Interest and fees income			
Interest and fees on direct loans	-	-	1,153
Interest income on loans due from third parties	2,113,918	2,131,447	34,707
Interest income from factoring business	-	-	2,782,332
Interest income on deposits with banks	300,749	348,389	64,636
Total interest and fee income	2,414,667	2,479,836	2,882,828
Interest expense			
Interest expenses and fees on secured loans	-	-	(2,218,815)
Net interest income	2,414,667	2,479,836	664,013
Provision for loan losses	-	-	(2,244,601)
Net interest income (loss) after provision for loan losses	2,414,667	2,479,836	(1,580,588)
Operating income (loss)	3,607,485	4,898,122	(945,659)
Total operating expenses			
Salaries and employee surcharges	(1,054,509)	(1,116,482)	(512,314)
Other operating expenses	(2,241,069)	(2,995,098)	(1,385,259)
Changes in fair value of warrant liabilities	(3,021)	5,961	530,863
Total operating expenses	(3,298,599)	(4,105,619)	(1,366,710)
Other income (expenses)			
Deconsolidation gain (loss)	490,283	(1,953,248)	-
Interest income (expenses), net	(267,184)	-	-
Other income (expense), net	554,167	76,406	-
Total other income (expenses)	777,266	(1,876,842)	-
Income (Loss) before income taxes	1,086,152	(1,084,339)	(2,312,369)
Income tax (expenses) recovery	(328,851)	229,733	(244,741)
Net income (loss) from continuing operations	757,301	(854,606)	(2,557,110)
Net income from discontinued operations, net of income tax	-	-	26,846,018
Net income (loss)	757,301	(854,606)	24,288,908
Dividend – convertible redeemable Class A preferred share	-	-	(686,400)
Net income attributable to noncontrolling interests	(386,210)	(838,048)	(76,108)
Net income (loss) attributable to Roan Holding Group Co., Ltd.'s shareholders	\$ 371,091	\$ (1,692,654)	\$ 23,526,400
Other comprehensive (loss) income			
Foreign currency translation adjustment	1,308,444	3,461,980	1,435,262
Reclassified to net gain from discontinued operations	-	-	2,691,969
	1,308,444	3,461,980	4,127,231
Comprehensive income	2,065,745	2,607,374	28,416,139
Other comprehensive income attributable to noncontrolling interests	(488,233)	(1,334,101)	(97,733)
Dividend – convertible redeemable Class A preferred share	-	-	(686,400)
Net income attributable to noncontrolling interests	(386,210)	(838,048)	(76,108)
Total comprehensive income attributable to Roan Holdings Group Co., Ltd.'s shareholders	\$ 1,191,302	\$ 435,226	\$ 27,555,898

Weighted average number of ordinary share outstanding

Basic and Diluted*	<u>25,287,887</u>	<u>25,287,887</u>	<u>25,287,887</u>
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Earnings (Loss) per share

Net earnings (loss) per share – Basic and Diluted	<u>\$ 0.01</u>	<u>\$ (0.07)</u>	<u>\$ 0.93</u>
Net earnings (loss) per share from continuing operations - Basic and Diluted	<u>\$ 0.01</u>	<u>\$ (0.07)</u>	<u>\$ (0.13)</u>
Net earnings per share from discontinued operations - Basic and Diluted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1.06</u>

- * The Company reported a discontinued operation for the year ended December 31, 2019, it used net loss from continuing operations as the control number to determine whether the warrants, Class A and Class B preferred shares are anti-dilutive. Because the Company incurred a net loss from continuing operations, the number of warrants, Class A preferred shares and Class B preferred shares are excluded from the computation as the anti-dilutive effect.

The accompanying notes are an integral part of the consolidated financial statements

ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
For the Years Ended December 31, 2021, 2020 and 2019
(Expressed in U.S. dollar, except for the number of shares)

Attributable to Roan Holdings Group Co., Ltd.'s Shareholders										
	Ordinary Share		Class A Preferred Shares		Class B Preferred Shares		Additional paid-in capital	Statutory Reserve	Retained earnings (Accumulated Deficit)	Accumulated other comprehensive (loss) income
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2018	25,288,003	\$ -	-	\$ -	-	\$ -	\$ 98,036,152	\$ 6,621,063	\$ (136,620,068)	(4,037,404)
Forfeiture of restricted shares	(152)	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary by issuance of Class B Preferred Shares (Note 4)	-	-	-	-	291,795,150	31,087,732	-	-	-	-
Disposal of a variable interest entity (Note 5)	-	-	-	-	-	-	(94,723,963)	(5,981,661)	100,705,624	2,691,969
Net income	-	-	-	-	-	-	-	-	24,212,800	-
Reclassification of Class A Preferred Shares	-	-	715,000	9,652,527	-	-	-	-	-	-
Dividend to shareholders	-	-	-	686,400	-	-	-	-	(686,400)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	19,260	(19,260)	-
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	1,337,529
Balance as of December 31, 2019	25,287,851	\$ -	715,000	\$10,338,927	291,795,150	\$31,087,732	\$ 3,312,189	\$ 658,662	\$ (12,407,304)	(7,906)
Net loss	-	-	-	-	-	-	-	-	(1,692,654)	-
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	(639,402)	639,402	190,396
Dividend to shareholders	-	-	-	686,400	-	-	-	-	(686,400)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	183,332	(183,332)	-
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	2,127,879
Balance as of December 31, 2020	25,287,851	\$ -	715,000	\$11,025,327	291,795,150	\$31,087,732	\$ 3,312,189	\$ 202,592	\$ (14,330,288)	2,310,369
Net Income	-	-	-	-	-	-	-	-	371,091	-
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	(2,494)
Dividend to shareholders	-	-	-	686,400	-	-	-	-	(686,400)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	160,205	(160,205)	-
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	820,211
Balance as of December 31, 2021	25,287,851	\$ -	715,000	\$11,711,727	291,795,150	\$31,087,732	\$ 3,312,189	\$ 362,797	\$ (14,805,802)	3,128,086

ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021, 2020 and 2019
(Expressed in U.S. dollar, except for the number of shares)

	For the Years Ended December 31,		
	2021	2020	2019
Cash Flows from Operating Activities:			
Net income (loss)	\$ 757,301	\$ (854,606)	\$ 24,288,908
Less: Net loss from discontinued operations	-	-	26,846,018
Net loss from continuing operations	757,301	(854,606)	(2,557,110)
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation and amortization expenses	1,134,738	1,102,298	55,498
Provision for credit losses	48,518	316,014	-
Provision for loan losses	-	-	2,244,601
Provision for financial guarantee losses	57,417	89,865	5,008
Deferred tax expenses	(265,421)	(1,001,372)	57,674
Changes in fair value of warrant liabilities	3,021	(5,961)	(530,863)
Net gain from disposal of fixed assets	(33,246)	(136,682)	-
Gain from lease modification	(603)	22,257	-
Accretion of finance leases	7,605	14,757	-
Gain (loss) from deconsolidation of subsidiaries	(490,283)	1,953,248	-
Changes in operating assets and liabilities:			
Accounts receivable	(7,495)	(3,116,533)	(206,442)
Inventory	(3,250)	(30,348)	-
Interest and fees receivable	-	-	(149,013)
Other current assets	3,431,640	(3,215,702)	(289,694)
Other receivables	2,425,003	(3,268,571)	-
Pledged deposits and other non-current assets	414,265	359,202	-
Advances from customers	(58,249)	7,915	(6,702)
Tax payable	847,043	1,029,919	273,589
Accrued expenses and other liabilities	449,971	(727,211)	28,875
Net Cash Provided by (Used in) Operating Activities from Continuing Operations	8,717,975	(7,461,511)	(1,074,579)
Net Cash Used in Operating Activities from Discontinued Operations	-	-	(26,564)
Net Cash Provided by (Used in) Operating Activities	8,717,975	(7,461,511)	(1,101,143)
Cash Flows from Investing Activities:			
Repayment of loans from factoring customers	-	-	107,833,488
Proceeds of loans from third parties	20,499,442	-	-
Loans disbursement to third parties	(26,100,286)	(3,467,607)	-
Loans disbursement to factoring customers	-	-	(43,422,881)
Purchases of property and equipment	(54,569)	-	(833)
Acquisition of a subsidiary	-	-	(427,318)
Acquisition of cash from acquired subsidiary	-	-	21,442,122
Proceeds from disposal of discontinued operations	-	-	504,713
Net inflow related to deconsolidation of subsidiaries	788	61,121	-
Redemption of short-term investment	-	8,690,374	-
Due to (from) related party	(70,169)	210,774	-
Proceeds from sale of property and equipment	40,305	837,969	-
Net Cash (Used in) Provided by Investing Activities from Continuing Operations	(5,684,489)	6,332,631	85,929,291
Net Cash Provided by Investing Activities from Discontinued Operations	-	-	35,765
Net Cash (Used in) Provided by Investing Activities	(5,684,489)	6,332,631	85,965,056
Cash Flows from Financing Activities:			
Borrowing from a related party	-	-	279,020
Proceeds from bank loans	5,889,179	8,341,311	-
Repayment of bank loans	(8,927,555)	-	-
Proceeds from secured loans	-	-	43,422,881
Repayment of secured loans	-	-	(107,833,488)
Repayment of third-party loans	-	(280,268)	-
Repayment of lease liabilities	(76,102)	(207,891)	-
Net Cash (Used in) Provided by Financing Activities from Continuing Operations	(3,114,478)	7,853,152	(64,131,587)
Net Cash Used in Financing Activities from Discontinued Operations	-	-	(7,251)
Net Cash (Used in) Provided by Financing Activities	(3,114,478)	7,853,152	(64,138,838)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash in banks	914,219	1,937,807	119,326
Net increase in cash, cash equivalents, and restricted cash in banks	833,227	8,662,079	20,844,401
Cash, cash equivalents, and restricted cash in banks at beginning of year	30,807,604	22,145,525	1,301,124
Cash, cash equivalents, and restricted cash in banks at end of year	\$ 31,640,831	\$ 30,807,604	\$ 22,145,525
Supplemental Cash Flow Information			
Cash paid for interest expense	\$ 269,400	\$ -	\$ -

Cash paid for income tax	\$ -	\$ -	\$ -
Noncash investing activities			
Acquisition of a subsidiary by issuance of Class B Preferred Shares	\$ -	\$ -	\$ 31,087,732
Receivable from disposal of discontinued operations	\$ -	\$ -	\$ 940,829
Right of use assets obtained in exchange for operating lease obligations	\$ -	\$ -	\$ 615,000

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same amounts shown in the consolidated statements of cash flows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,947,142	\$ 4,932,048
Restricted cash in banks	29,693,689	25,875,556
Total cash, cash equivalents and restricted cash	\$ 31,640,831	\$ 30,807,604

The accompanying notes are an integral part of the consolidated financial statements

ROAN HOLDINGS GROUP CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Roan Holdings Group Co., Ltd. (formerly known as China Lending Corporation or DT Asia Investments Limited) (“Roan”, or the “Company”) is a holding company incorporated on April 8, 2014, under the laws of the British Virgin Islands. On November 27, 2019, the BVI Registrar of Corporate Affairs approved the Company’s name change to Roan Holdings Group Co., Ltd., and on January 8, 2020, the Financial Industry Regulatory Authority (“FINRA”) accepted the Company’s request for the following changes on the Over the Counter Bulletin Board (“OTCBB”): 1) the name change from China Lending Corporation to Roan Holdings Group Co., Ltd., and 2) the ticker symbol change from “CLDOF” to “RAHGF” for its ordinary shares and from “CLDCF” to “RONWF” for its warrants. The new CUSIPS of the Company’s ordinary shares and warrants are G7606D 115 and G7606D 107, respectively.

On December 30, 2019, the Company set up Fortis Industrial Group Limited (former name “Fortis Health Industrial Group Limited”) in Hong Kong, which was a holding company and did not commence operation as of December 31, 2019.

On February 28, 2020, a new wholly-owned subsidiary, Ningbo Zeshi Insurance Technology Co., Ltd. (“Zeshi Insurance”), was incorporated under the laws of the PRC. Its principal business is providing insurance technology services and related services.

On March 3, 2020, a new wholly-owned subsidiary, Zeshi (Hangzhou) Health Management Co., Ltd. (“Zeshi Health”), was incorporated under the laws of the PRC. Zeshi Health provides services in health management, health big data management and blockchain technology-based health information management.

Incorporation of joint ventures

On August 2, 2021, the Company set up a joint venture company, Yijia Travel (Hangzhou) Digital Technology Co. Ltd. (易佳行旅 (杭州) 数字科技有限公司) (“Yijia Travel”), to develop business travel services. The Company and its business partner, Shuzhiyun Holdings (Beijing) Co., Ltd. (“Shuzhiyun”), hold 35% and 30% of the equity in the joint venture, respectively.

On November 8, 2021, the Company set up a joint venture company, FINE C+ Digital Technology (Hangzhou) Limited (乐享未来数字科技 (杭州) 有限公司) (“FINE C+ Digital”) to offer lifestyle consumer services including cross-platform clearing and settlement services for consumer reward rights and interests. The Company and its business partner, Shuzhiyun hold 45% and 30% of the equity in the joint venture, respectively.

On October 14, 2021, the Company’s subsidiary, Yifu Health Industry (Ningbo) Co., Ltd. (“Yi Fu”) set up a joint venture company, FINE C+ Health (Hangzhou) Technology Limited (乐享未来健康科技 (杭州) 有限公司) (“FINE C+ Health”), to provide online medical consultation and traditional Chinese medicine. Yi fu and the business partner of the Company, Shuzhiyun, hold 40% and 30% of the equity in the joint venture, respectively.

As of the date of this report, none of above investments in joint ventures had been paid.

Disposition of Feng Hui Ding Xin (Beijing) Financial Consulting Co., Ltd. (“Ding Xin”) in fiscal year 2020 and China Roan Industrial-Financial Holdings Group Co., Ltd. (“Roan HK”) in fiscal year 2021.

On September 30, 2020, the Company entered into an agreement (the “Agreement”) with Urumqi Fengxunhui Management Consulting Co., Ltd (“Fengxunhui”) pursuant to which Fengxunhui acquired a 100% equity interest in Ding Xin with a consideration of \$15,325 (RMB100,000). Upon closing of the disposition, the Company released all equity interests to Fengxunhui’s shareholders.

On September 30, 2021, the Company sold 100% of the equity interest it held in China Roan Industrial-Financial Holdings Group Co., Ltd. (“Roan HK”), a holding company that has no business operations, to Yuanjia Asset Management Co., Ltd., a BVI company (“Yuanjia”), for a total of approximately \$282 (HK\$2,200). The net assets of Roan HK were negative \$492,495 as of September 30, 2021, resulting in a gain on deconsolidation of \$492,777 and other comprehensive loss of \$2,494. Roan HK’s subsidiary, Jing Kai was disposed at the same time.

As of December 31, 2021, the Company was mainly engaged in financial guarantee services, debt collection services and financial consulting services through the subsidiaries Lixin Cayman and Adrie.

ROAN HOLDINGS GROUP CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements reflect the activities of the Company and its subsidiaries as follows:

Name	Background	Ownership
Adrie Global Holdings Limited (“Adrie”)	<ul style="list-style-type: none"> • A BVI company • Incorporated on November 19, 2014 • A holding company 	100% owned by Roan
China Roan Industrial-Financial Holdings Group Co., Limited (“Roan HK”)	<ul style="list-style-type: none"> • A Hong Kong company • Incorporated on February 11, 2015 • A holding company • Formerly known as China Feng Hui Financial Holding Group Co., Limited • Disposed in September 30, 2021. 	100% owned by Adrie
Fortis Industrial Group Limited (“FIG”)	<ul style="list-style-type: none"> • A Hong Kong company • Incorporated on December 30, 2019 • A holding company • Formerly known as “Fortis Health Industrial Group Limited” 	100% owned by Adrie
Xinjiang Feng Hui Jing Kai Direct Lending Limited (“Jing Kai”)	<ul style="list-style-type: none"> • A PRC company and deemed a wholly foreign owned enterprise • Incorporated on May 14, 2015 • Registered capital of \$18 million • A holding company • Disposed in September 30, 2021 with Roan HK. 	100% owned by Roan HK
Yifu Health Industry (Ningbo) Co., Ltd. (“Yi Fu”)	<ul style="list-style-type: none"> • A PRC company • Incorporated on December 19, 2016 • Registered capital of \$30 million • Planning for financial lease services • Formerly known as Ningbo Ding Tai Financial Leasing Co., Limited. 	100% owned by FIG
Zeshi (Hangzhou) Health Management Co., Ltd. (“Zeshi Health”)	<ul style="list-style-type: none"> • A PRC company • Incorporated on March 3, 2020 • Registered capital of RMB 5 million • Engaged in providing services in health management, health big data management and blockchain technology-based health information management. 	100% indirectly owned by FIG
Ningbo Zeshi Insurance Technology Co. (“Zeshi Insurance”)	<ul style="list-style-type: none"> • A PRC company • Incorporated on February 28, 2020 • Registered capital of RMB 5 million • Engaged in insurance technology services and related services. 	100% indirectly owned by FIG
Hangzhou Zeshi Investment Partnership (Limited Partnership) (“Hangzhou Zeshi”)	<ul style="list-style-type: none"> • A PRC limited liability partnership • Incorporated on December 21, 2017 • Acquired on November 29, 2019 • Registered capital of \$7,750,878 (RMB 51 million) • Engaged in business factoring program, financing products design, related corporate financing solutions, investments and asset management 	100% indirectly owned by FIG
Yijia Travel (Hangzhou) Digital Technology Co. Ltd. (“Yijia”)	<ul style="list-style-type: none"> • A PRC company • Incorporated on August 2, 2021 • Registered capital of RMB 5 million • Engaged in business travel services 	35% indirectly owned by FIG
FINE C+ Health (Hangzhou) Technology Limited (“FINE C+ Health”)	<ul style="list-style-type: none"> • A PRC company • Incorporated on October 14, 2021 • Registered capital of RMB 5 million • Engaged in online medical consultation and traditional Chinese medicine 	40% indirectly owned by FIG
FINE C+ Digital Technology (Hangzhou) Limited (“FINE C+ Digital”)	<ul style="list-style-type: none"> • A PRC company • Incorporated on November 8, 2021 • Registered capital of RMB 5 million • Engaged in lifestyle consumer services including cross-platform clearing and settlement services for consumer reward rights and interests 	45% indirectly owned by FIG
Lixin Financial Holdings Group Limited (“Lixin Cayman”)	<ul style="list-style-type: none"> • A Cayman company • Incorporated on October 25, 2017 • A holding company 	65.0177% owned by Roan

Name	Background	Ownership
Lixin Financial Holdings (BVI) Limited (“Lixin BVI”)	<ul style="list-style-type: none"> • A BVI company • Incorporated on November 29, 2017 • A holding company 	100% owned by Lixin Cayman
Lixin Financial Holdings Group Limited (“Lixin HK”)	<ul style="list-style-type: none"> • A Hong Kong company • Incorporated on January 15, 2018 • A holding company 	100% owned by Lixin BVI
Zhejiang Lixin Enterprise Management Group Co., Ltd. (“Zhejiang Lixin”)	<ul style="list-style-type: none"> • A PRC limited liability company • Incorporated on July 3, 2015 • Registered capital of \$16,162,259 (RMB 101 million) with registered capital fully paid-up • Engaged in financial guarantee services and related assessment and management services 	99% owned by Lixin HK and 1% owned by FIG
Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd (“Zhejiang Jingyuxin”)	<ul style="list-style-type: none"> • A PRC limited liability company • Incorporated on January 5, 2013 • Registered capital of \$48,517,261 (RMB 303 million) with registered capital fully paid-up • Engaged in financial guarantee services and related assessment and management services 	93.4% owned by Zhejiang Lixin
Lixin (Hangzhou) Asset Management Co., Ltd. (“LAM”)	<ul style="list-style-type: none"> • A PRC limited liability company • Incorporated on March 21, 2017 • Registered capital of \$4,358,565 (RMB 30 million) with \$2,905,710 registered capital paid-up • Engaged in provision of consulting and assessment services to customers and facilitates financial guarantee services between customers and guarantors 	100% owned by Zhejiang Jingyuxin
Lixin Supply Chain Management (Tianjin) Co., Ltd. (“Lixin Supply Chain”)	<ul style="list-style-type: none"> • A PRC limited liability company • Incorporated on December 19, 2017 • Registered capital of \$1,513,226 (RMB 10 million) • Planning for provision of supply chain management service 	100% owned by LAM

The Companolidated statements of operations and comprehensive losses also included Feng Hui Ding Xin (Beijing) Financial Consulting Co., Ltd. (“Ding Xin”) and Ding Xin’s 99%-owned subsidiary Zhiyuan Commercial Factoring (Guangzhou) Co., Ltd. (“Zhiyuan”) for the year ended December 31, 2019 and for the period from January 1, 2020 to September 30, 2020 until Ding Xin and Zhiyuan was disposed of and deconsolidated at September 30, 2020.

The Company’s consolidated statements of operations and comprehensive losses also included China Roan Industrial-Financial Holdings Group Co., Ltd. (“Roan HK”) and Roan HK’s 100%-owned subsidiary Xinjiang Feng Hui Jing Kai Direct Lending Ltd. (“Jing Kai”) for the year ended December 31, 2019 and 2020 and for the period from January 1, 2021 to September 30, 2021 until Roan HK and Jing Kai was disposed of and deconsolidated at September 30, 2021.

2. LIQUIDITY

For the year ended December 31, 2021, the net income from continuing operations was \$757,301, as compared to net loss of \$854,606 for fiscal year 2020, and net loss of \$2,557,110 for the fiscal year 2019. The cash inflow from continuing operations was \$8,717,975 for fiscal year 2021, as compared to cash outflow of \$7,461,511 for fiscal year 2020, and cash outflow of \$1,101,143 for fiscal year 2019. The Company has accumulated deficit of \$14,805,802 as at December 31, 2021, which required management's consideration of the Company's liquidity and its ability to continue as a going concern.

In assessing the Company's liquidity, the Company monitors and analyzes its cash and its ability to generate sufficient cash flow in the future to support its operating and capital expenditure commitments. The Company's liquidity needs are to meet its working capital requirements and operating expenses obligations.

As of December 31, 2021, the Company had cash balance of \$1,947,142 and a positive working capital of \$51,940,172. In addition to the cash balance, the working capital was mainly comprised of restricted cash of \$29,693,689, accounts receivable of \$6,929,529, loan receivable due from third parties of \$23,751,471 and other receivables of \$656,835. The balances of these assets are expected to be repaid on maturity dates and will also be used for working capital.

In addition, the management estimated the operating expenses obligation for the next twelve months after issuance of the consolidated financial statements to be \$3,786,344, which will be covered by the cash flows of \$4,185,518 generated from financial guarantee services, financial services and interest income. The Company's shareholder also pledged to provide continuous financial support to the Company whenever necessary.

The Company plans to fund its operations through revenue generated from its revenues of financial guarantee services and financial consulting services, private placements from investors, and financial support commitments from the Company's shareholders.

Based on above operating plan, the management believes that the Company will continue as a going concern in the following 12 months.

The Company's ability to fund these needs will depend on its future performance, which will be subject in part to general economic, competitive and other factors beyond its control. The frequent COVID-19 outbreak in China has caused severe disruptions in transportation, limited access to the facilities and limited support from workforce employed in operations, and as a result, the Company may experience the delays in provision of financial guarantee services and consulting services to customers. Although the China has taken strict measures to control the COVID-19 outbreak, temporally lockdown to certain areas in China happened frequently during 2021. It is estimated that the economy of China will still be impacted to certain extent. The extent to which the coronavirus impacts the results for fiscal year 2022 will depend on certain future developments, including the duration and spread of the outbreak, emerging information concerning the severity of the coronavirus and the actions taken by governments and private businesses to attempt to contain the coronavirus, all of which is uncertain at this point.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

(b) Principal of consolidation

The consolidated financial statements include the accounts of the Company, its wholly and majority owned subsidiaries.

All transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation.

(c) Non-controlling interest

Non-controlling interests represent the equity interests in the subsidiaries that are not attributable, either directly or indirectly, to the Company.

(d) Foreign currency translation

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing on the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates on the date of the balance sheet. The resulting exchange differences are recorded in the statement of operations.

The reporting currency of the Company and its subsidiaries ("US\$") and the accompanying consolidated financial statements have been expressed in US\$.

In general, for consolidation purposes, assets and liabilities of the Company and its subsidiaries whose functional currency is not the US\$, are translated into US\$, using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses resulting from translation of consolidated financial statements of the Company and its subsidiaries are recorded as a separate component of accumulated other comprehensive income within the statement of shareholders' equity.

Translation of amounts from RMB into \$ has been made at the following exchange rates for the respective periods:

	December 31, 2021	December 31, 2020
Balance sheet items, except for equity accounts	6.3726	6.5250

	For the Years Ended December 31,		
	2021	2020	2019
Items in the statements of operations and comprehensive income (loss), and statements of cash flows	6.4508	6.9042	6.9088

No representation is made that the RMB amounts could have been, or could be, converted into U.S. dollars at the rates used in translation.

(e) Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities on the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews these estimates and assumptions using the currently available information. Changes in facts and circumstances may cause the Company to revise its estimates. The Company bases its estimates on past experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Estimates are used when accounting for items and matters including, but not limited to, determination of fair value of acquiree, determinations of the useful lives and valuation of long-lived assets, estimates of allowances for loan receivables relating to direct loan business, estimates of allowances for other doubtful accounts, valuation of deferred tax assets, assumptions impacting the valuation of ordinary shares, share option, restricted shares and warrant liabilities, and other provisions and contingencies.

(f) Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are described below:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value.

As of December 31, 2021 and 2020, financial instruments of the Company comprised primarily current assets and current liabilities including cash and cash equivalents, restricted cash in banks and other financial institutions, accounts receivable, loan receivables, bank loan, operating lease liabilities, dividends payable, accrued liabilities and other liabilities, and due from/to related parties, which approximate their fair values because of the short-term nature of these instruments.

Warrant liabilities

The inputs used to measure the estimated fair value of warrant liabilities are classified as Level 3 fair value measurement due to the significance of unobservable inputs using company-specific information. The valuation methodology used to estimate the fair value of warrant liabilities is discussed in Note 20.

As of December 31, 2021 and 2020, the Company's warrant liabilities were comprised of Series A Warrants relating to a private placement closed in July 2018, and the warrants issued to the agent for the private placement, at the aggregated fair value of \$16,998 and \$13,977, respectively.

(g) Cash and cash equivalents

Cash and cash equivalents consist of bank deposits with original maturities of three months or less, all of which are unrestricted as to withdrawal and uninsured. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, may exceed the U.S. Federal depository insurance coverage of \$0.25 million or other limits of protection if held in financial institutions outside of the U.S., such as Government securities coverage of HK\$0.50 million. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

(h) Restricted cash

Restricted cash represents cash pledged with banks, other financial institutions, and other guaranteed creditors as guarantor deposit for the guarantee business customers. The banks, other financial institutions and other guaranteed creditors providing loans to the Company's guarantee service customers generally require the Company, as the guarantor of the loans, to pledge a cash deposit of 10% to 20% of the guaranteed amount to an escrow account and is restricted from use. The deposits are released after the guaranteed loans are paid off and the Company's guarantee obligation expires which is usually within 12 months.

(i) Accounts receivable, net

Accounts receivable represents the consulting service fees earned from customers but have not yet collected. An allowance for doubtful accounts is established and recorded based on management's assessment of potential losses based on the credit history and relationships with the customers. Management reviews its receivables on a regular basis to determine if bad debt allowance is adequate, and adjusts the allowance when necessary. Delinquent account balances are written-off against allowance for doubtful accounts after management has determined that the likelihood of collection is not probable. The Company recognizes a charge-off when management determines that full repayment of the receivable is not probable. The primary factor in making that determination is the potential outcome of a lawsuit against the delinquent debtor. The Company will recognize a charge-off when the Company loses contact with the delinquent customer for more than six months or when the court rules against the Company to collect the outstanding balances. As of December 31, 2021 and 2020, the Company had expected current credit loss against doubtful accounts receivable of \$775,330 and \$740,370, respectively.

While management uses the best information available to make loan loss allowance evaluations, adjustments to the allowance may be necessary based on changes in economic and other conditions or changes in accounting guidance.

(j) Loans receivable, net due from third parties

Loans receivable due from third parties primarily represent loan amounts lent to third party companies from time to time. Loans receivable due from third parties are recorded at unpaid principal balances net of expected credit loss against loans receivables that reflects the Company's best estimate of the amounts that will not be collected.

The expected credit loss provision for loans receivable due from third parties is increased by charges to income and decreased by charge offs (net of recoveries). Recoveries represent subsequent collection of amounts previously charged-off. The increase in provision for loan losses is the netting effect of "reversal" and "provision". If the ending balance of the provision for loan losses after any charge offs (net of recoveries) is less than the beginning balance, it will be recorded as a "reversal"; if it is larger, it will be recorded as a "provision" in the provision for loan loss. The netting amount of the "reversal" and the "provision" is presented in the consolidated statements of operations and comprehensive income.

The Company recognizes a charge-off when management determines that all or portion of a loan is deemed uncollectible. The primary factors in making that determination include sufficient information indicating that the borrower is insolvent, the Company has received notice that the borrower has filed for bankruptcy and the collectability of the loan is expected to be adversely impacted by the bankruptcy, the amount have been past due for a prolong period of time with no response from the borrower, a significant deterioration in the value of the collateral, if any and if the repayment is based solely on the collateral, has occurred and the Company has received correspondence from the borrower indicating that it does not intend to pay the contractual principal and interest.

(k) Interest and fees receivable

Interest and fee receivables are accrued and credited to income as earned but not received. The Company determines a loan past due status by the number of days that have elapsed since a borrower has failed to make a contractual interest or principal payment. Accrual of interest is generally discontinued when either (i) reasonable doubt exists as to the full, timely collection of interest or principal or (ii) when a loan interest or principal becomes past due by more than 90 days. Additionally, any previously accrued but uncollected interest is reversed. Subsequent recognition of income occurs only to the extent payment is received, subject to management's assessment of the collectability of the remaining interest and principal. Loans are generally restored to an accrual status when it is no longer delinquent and collectability of interest and principal is no longer in doubt and past due interest is recognized at that time.

(l) Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment in value. Depreciation is computed using the straight-line method with residual value rate of 5% based on the estimated useful lives as follows:

Electronic equipment	3 years
Vehicles	3 - 4 years
Office equipment	5 years
Leasehold improvements	5 years
Building	20 years

Costs of repairs and maintenance are expensed as incurred and asset improvements are capitalized. The cost and related accumulated depreciation of assets disposed of or retired are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of income and comprehensive income (loss).

(m) Intangible assets, net

On December 20, 2019, the Company acquired 65.0177% of Lixin Cayman and its subsidiaries, which are engaged in financial guarantee business, asset management, supply chain financing, and business factoring.

The acquisition was accounted for under the acquisition method of accounting which required the Company to perform an allocation of the purchase price to the assets acquired. Under the acquisition method of accounting, the total purchase price is allocated to net tangible and intangible assets based on their estimated fair values as of the acquisition date.

Separately identifiable intangible assets that have determinable lives continue to be amortized over their estimated useful lives using the straight-line method as follows:

Customer relationship	3 years
License	10 years
Non-Compete Agreements	4 years
Credit rating system	10 years

Intangible assets are recognized and measured at fair value upon acquisition, and are amortized over their useful lives in a manner that best reflects their economic benefit, which may include straight line or accelerated methods of amortization. Intangible assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

(n) Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment of long-lived assets was recognized for the years ended December 31, 2021, 2020 and 2019.

(o) Business combination

The Company accounted for its business combination using the acquisition method of accounting in accordance with ASC 805 “Business Combinations”. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities incurred by the Company to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total costs of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill.

(p) Financial guarantee services

Financial guarantee service contracts provide guarantees which protects the holder of a debt obligation against default. Pursuant to such guarantee, the Company makes payments if the obligor responsible for making payments fails to do so as scheduled.

The contract amounts reflect the extent of involvement the Company has in the guarantee transaction and also represent the Company's maximum exposure to credit loss in its guarantee business. The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. Financial instruments representing credit risk are as follows:

	December 31, 2021	December 31, 2020
Guarantee	\$ 47,020,055	\$ 51,318,310

A provision for possible loss to be absorbed by the Company for the financial guarantee is recorded as an accrued liability when the guarantees are made and recorded as "Reserve for financial guarantee services" on the consolidated balance sheets. This liability represents probable losses and is increased or decreased by accruing a "Provisions or reversals of provisions on financial guarantee services" against the guarantee fee income. As of December 31, 2021 and 2020, the reserve for financial guarantee services amounted to \$651,341 and \$579,364, respectively.

This is reviewed throughout the life of the guarantee, as necessary when additional relevant information becomes available. The methodology used to estimate the liability for possible guarantee loss considers the guarantee contract amount and a variety of factors, which include, depending on the counterparty, latest financial position and performance of the borrowers, actual defaults, estimated future defaults, historical loss experience, estimated value of the relevant collateral or guarantees the costumers or third parties offered, and other economic conditions such as the economy trend of the area and the country. The estimates are based upon currently available information (Note 3(nn)).

Referring to the historical information and industry experience, the Company estimates the probable loss for immature financial guarantee services to be 1% of contract amount and the probable loss for uncollected guarantee commission to be 50% of outstanding balance.

For the years ended December 31, 2021, 2020 and 2019, the Company provided provisions for the financial guarantee services of \$57,417, \$89,865 and \$5,008. The Company reviews the provisions on a quarterly basis.

See Note 3(mm) for newly issued accounting guidance ASU 2016-13 for recognition of credit losses on financial instruments, which is effective January 1, 2023 for future measurement of the accrual of financial guarantee liabilities.

(q) Customer pledged deposits

To mitigate the potential credit risks exposure to the financial guarantee services, the Company requires the guarantee service customers to make a deposit to the Company of the same amount as the deposit the Company pledged to the banks for their loans if the customer does not pledge or collateralize other assets with the Company. The Company recorded the deposit received as "customer pledged deposits" on the consolidated balance sheet. The deposit is returned to the customer after the customer repays the bank loan and the Company's guarantee obligation expires.

(r) Unearned income

The Company receives the commissions from guarantee services either in full at inception or in instalments during the guarantee period. For the full collection of commission at inception, the Company initially records commissions as unearned income and amortizes the commission over the period of guarantee.

(s) Warrant liabilities

In connection with the issuances of common stocks, the Company may issue options or warrants to purchase common stock. In certain circumstances, these options or warrants may be classified as liabilities, rather than as equity.

Warrants classified as equity are initially recorded at fair value and subsequent changes in fair value are not recognized as long as the warrants continue to be classified as equity. Warrants classified as liabilities are initially recorded at fair value with gains and losses arising from changes in fair value recognized in the consolidated statements of operations and comprehensive income (loss) during the period in which such instruments are outstanding.

(t) Revenue recognition

The Company adopted ASC 606, Revenue from Contracts with Customers (“ASC 606”) on January 1, 2018, using the modified retrospective approach. ASC 606 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

The Company has assessed the impact of the guidance by reviewing its existing customer contracts and current accounting policies and practices to identify differences that will result from applying the new requirements, including the evaluation of its performance obligations, transaction price, customer payments, transfer of control and principal versus agent considerations. Based on the assessment, the Company concluded that there was no change to the timing and pattern of revenue recognition for its current revenue streams in scope of ASC 605 and therefore there was no material changes.

Pursuant to ASC606-10-15-2, the interest income generated from direct loan business, factoring business and financial guarantee income generated by financial guarantee business are scoped out of ASC606.

Management and assessment services

Service fees for management and assessment services are paid by customers for the management and assessment services provided during the loan period. The Company recognizes the revenue over the loan period using a time-based measure of progress.

Consulting services for financial guarantee customers

The Company provided financial consulting services to financial guarantee customers. Pursuant to the contracts with customers, the Company facilitated financial guarantee services between customers and financial guarantors, and charged referral fees at a fixed amount. The performance obligations are completed and control of the service is transferred at the inception of financial guarantee period. Transaction prices are generally paid upon successful facilitation. The Company recognizes the revenue at the inception of guarantee period.

(u) Revenue recognition (continued)

Consulting services relating to debt collection services

The Company entered into agreements with certain factoring companies to provide consulting services relating to debt collection services for these customers. The management consulting services either involved two performance obligations which are to assist the customers to obtain court judgments on outstanding debt and to assist the customers to receive repayment on outstanding debt, or one performance obligation which is to assist the customers to receive repayment on outstanding debt. Pursuant to the contracts with customers, the service fees are fixed and payable upon the completion of each performance obligation. In addition, a collection amount based incentive is agreed in the agreements. The Company did not include incentive in the transaction price because the Company had limited information on the collection amount of outstanding debts. Incentive is only recognized when it is collected from the customer. The transaction price is allocated to each performance obligation based on the relative standalone selling prices of the services being provided to the customer.

- 1) For the Company's assistance with customers to obtain court judgments on outstanding debt, the customers receive and consume benefits from the services provided by the Company, and thus the Company recognized revenues over period. The Company measures progress towards completion of the performance obligation by using input method based on the staff cost incurred.
- 2) For the Company's assistance with customers to receive repayment on outstanding debt, the Company recognized revenues upon collection of outstanding debts.

Industrial operation services

On December 31, 2021, Hangzhou Zeshi investment partnership ("Hangzhou Zeshi"), a wholly-owned subsidiary of the Company, entered into an agreement with ZhongTan Future New Energy Industry Development (Zhejiang) Co., Ltd. ("ZhongTan Future"). Pursuant to the agreement, Hangzhou Zeshi will provide supply chain financial services, financial leasing services and industrial operation services, etc. Revenue of \$146,245 was recognized during the year ended December 31, 2021 after the target customer was located, due diligence and initial negotiation was completed and requirements of ZhongTan Future were met.

The following table identifies the disaggregation of our revenue from services for the years ended December 31, 2021, 2020 and 2019, respectively.

	For the Years Ended December 31,		
	2021	2020	2019
Management and assessment services	\$ 440,254	\$ 19,676	\$ 135,938
Consulting services for financial guarantee customers	-	-	9,503
Consulting services relating to debt collection	206,792	2,108,477	493,779
Industrial operation services	146,245	-	-
	<u>\$ 793,291</u>	<u>\$ 2,128,153</u>	<u>\$ 639,220</u>

(v) Interest income on loans

Interest on loan receivables is accrued monthly in accordance with their contractual terms and recorded in accrued interest receivable. The Company does not charge prepayment penalties. Additionally, any previously accrued but uncollected interest is reversed and accrual is discontinued, when either (i) reasonable doubt exists as to the full, timely collection of interest or principal or (ii) when a loan becomes past due by more than 90 days.

(w) Interest income from factoring business

Interest income from factoring business is recognized ratably on a monthly basis in accordance with their contractual terms and recorded in accrued interest receivable. The Company does not charge prepayment penalties.

(x) Financial guarantee commission

The Company receives the commissions from guarantee services either in full at inception or in instalments during the guarantee period. For the full collection of commission at inception, the Company initially records commissions as unearned income and amortizes the commission over the period of guarantee.

(y) Operating expenses

Operating expenses consisted of salaries and employee surcharge, business taxes and surcharges, other operating expenses and changes in fair value of warrant liabilities. The other operating expenses primarily consisted of legal and consulting expenses, depreciation and amortization expenses, rental expenses and others.

(z) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits including medical care, housing fund, pension benefits, unemployment insurance and other welfare, which are mandated defined contribution plans by government. The Company is required to accrue for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, and make cash contributions to the state-sponsored plans out of the amounts accrued. Total expenses for the plans were \$131,949, \$61,296, and \$31,012 for the years ended December 31, 2021, 2020, 2019, respectively.

(aa) Leases

In February 2016, the Financial Accounting Standards Board (the "FASB") issued ASU 2016-02, Leases (Topic 842), which is effective for annual reporting periods (including interim periods) beginning after December 15, 2018, and early adoption is permitted. The Company adopted the Topic 842 on January 1, 2019 using a modified retrospective approach reflecting the application of the standard to leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements.

The Company leases its offices which are classified as operating leases in accordance with Topic 842. Under Topic 842, lessees are required to recognize the following for all leases (with the exception of short-term leases) on the commencement date: (i) lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (ii) right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

As permitted by ASC 842, leases with expected durations of less than 12 months from inception (i.e. short-term leases) were excluded from the Company's calculation of its lease liability and right-of-use asset. Furthermore, the Company elected to apply the package of practical expedients, which allows companies not to reassess: (a) whether its expired or existing contracts are or contain leases, (b) the lease classification for any expired or existing leases, and (c) initial direct costs for any existing leases.

At the commencement date, the Company recognizes the lease liability at the present value of the lease payments not yet paid, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate for the same term as the underlying lease. The right-of-use asset is recognized initially at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, consisting mainly of brokerage commissions, less any lease incentives received. All right-of-use assets are reviewed for impairment. No impairment for right-of-use lease assets as of December 31, 2021 and 2020.

(bb) Share-based compensation

Share-based awards granted to the Company's employees are measured at fair value on grant date and share-based compensation expense is recognized (i) immediately at the grant date if no vesting conditions are required, or (ii) using the accelerated attribution method, net of estimated forfeitures, over the requisite service period. The fair value of share options is determined using the Black-Scholes valuation model and the fair value of restricted shares and restricted share units ("RSUs") is determined with reference to the fair value of the underlying shares. Share-based awards granted to non-employees are initially measured at fair value on the grant date and remeasured at each reporting date through the vesting date. Such value is recognized as expense over the respective service period, net of estimated forfeitures. Share-based compensation expense, when recognized, is charged for the consolidated statements of operations and comprehensive income (loss) with the corresponding entry to additional paid-in capital.

At each date of measurement, the Company reviews internal and external sources of information to assist in the estimation of various attributes to determine the fair value of the share-based awards granted by the Company, including but not limited to the fair value of the underlying shares, expected life, expected volatility and expected forfeiture rates. The Company is required to consider many factors and make certain assumptions during this assessment. If any of the assumptions used to determine the fair value of the share-based awards changes significantly, share-based compensation expense may differ materially in the future from that recorded in the current reporting period. The Company recognizes the impact of any revisions to the original forfeiture rate assumptions in the consolidated statements of operations and comprehensive income (loss), with a corresponding adjustment to equity.

(cc) Value added tax

The Company is subject to value added tax (“VAT”) and related surcharges on the revenues earned for services provided in the PRC. The applicable rate of value added tax is 6%. The related surcharges for revenues derived from provision medical courses are deducted from gross receipts to arrive at net revenues.

(dd) Income taxes

The Company accounts for income taxes in accordance with the U.S. GAAP for income taxes. Under the asset and liability method as required by this accounting standard, the recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between the income tax basis and financial reporting basis of assets and liabilities. Provision for income taxes consists of taxes currently due plus deferred taxes.

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis. Deferred tax assets are recognized to the extent that it is probable that taxable income to be utilized with prior net operating loss carried forwards. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred.

(ee) Earnings (Loss) per share

Basic earnings (loss) per ordinary share is computed by dividing net earnings attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to ordinary shareholders by the sum of the weighted average number of ordinary share outstanding and of potential ordinary share (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential ordinary share that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share. For the years ended December 31, 2021, 2020 and 2019, the Company had no dilutive stocks.

(ff) Comprehensive income (loss)

A Comprehensive income (loss) includes net income (loss) and other comprehensive income (loss) arising from foreign currency adjustments. Comprehensive income is reported in the consolidated statements of operations and comprehensive income (loss).

(gg) Commitments and contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations and tax matters. In accordance with ASC No. 450 Sub topic 20, “Loss Contingencies”, the Company records accruals for such loss contingencies when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated.

(hh) Segment reporting

In accordance with ASC 280, Segment Reporting, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”), or decision making group, in deciding how to allocate resources and in assessing performance. The Company uses the “management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company’s chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company’s reportable segments. Management, including the chief operating decision maker, reviews operation results by the revenue of different services. For the year ended December 31, 2021, the Company had two operating business lines, including business conducted by Adrie and its subsidiaries, primarily management and assessment services and factoring business, and business conducted by Lixin Cayman and its subsidiaries, primarily financial guarantee and consulting services. Based on management’s assessment, the Company has determined that the two operating business lines are two operating segments as defined by ASC 280 (Note 21).

(ii) Deconsolidation and discontinued operation

Deconsolidation

In accordance with ASC 810, an entity should apply deconsolidation guidance when a parent sells all or part of its ownership interest in its subsidiary and as a result, the parent no longer has a controlling financial interest in the subsidiary.

Discounted operation

In accordance with ASU No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, a disposal of a component of an entity or a group of components of an entity is required to be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results when the components of an entity meets the criteria in paragraph 205-20-45-1E to be classified as held for sale. When all of the criteria to be classified as held for sale are met, including management, having the authority to approve the action, commits to a plan to sell the entity, the major current assets, other assets, current liabilities, and noncurrent liabilities shall be reported as components of total assets and liabilities separate from those balances of the continuing operations. At the same time, the results of all discontinued operations, less applicable income taxes (benefit), shall be reported as components of net income (loss) separate from the net income (loss) of continuing operations in accordance with ASC 205-20-45.

(jj) Reclassification

Certain items in the consolidated financial statements of comparative period have been reclassified to conform to the consolidated financial statements for the current period, primarily for the effects of discontinued operations, and reclassification of operating income as a result of acquisition of Lixin Cayman and its subsidiaries.

(kk) Goodwill

Goodwill represents the excess of the purchase price of an acquired enterprise over the fair value assigned to the assets acquired and liabilities assumed in a business combination.

Goodwill is not amortized, but it is tested annually for impairment at the reporting unit level, and between annual tests if indicators of potential impairment exist. The Company has the option of performing a qualitative assessment of a reporting unit to first determine whether the quantitative impairment test is necessary. This involves an assessment of qualitative factors to determine the existence of events or circumstances that would indicate whether it is more likely than not that the carrying amount of the reporting unit to which goodwill belongs is less than its fair value. If the qualitative assessment indicates it is not more likely than not that the reporting unit's carrying amount is less than its fair value, a quantitative impairment test is not required.

If a quantitative impairment test is required, the procedure is to identify potential impairment by comparing the reporting unit's fair value with its carrying amount, including goodwill. The reporting unit's fair value is determined using various valuation approaches and techniques that involve assumptions based on what the Company believes a hypothetical marketplace participant would use in estimating fair value on the measurement date. An impairment loss is recognized as the difference between the reporting unit's carrying amount and its fair value. If the difference between the reporting unit's carrying amount and fair value is greater than the amount of goodwill allocated to the reporting unit, the impairment loss is restricted by the amount of the goodwill allocated to the reporting unit.

(ll) The Outbreak of COVID-19

On January 30, 2020, the World Health Organization declared the outbreak of the corona-virus disease (COVID-19) a "Public Health Emergency of International Concern," and on March 11, 2020, the World Health Organization characterized the outbreak as a "pandemic". COVID-19 has had a severe and negative impact on the Chinese and the global economy and such impact persists as of the date of this report. Whether this will lead to a continued downturn in the economy is still unknown.

Our business operations have been affected and may continue to be affected by the ongoing COVID-19 pandemic. Although we resumed our operations in early March 2020, and the impact of COVID-19 on our operating results and financial performance was not significant for the 12 months ended December 31, 2021, a resurgence could negatively affect the execution of customer contracts, the collection of customer payments, or disrupt our supply chain, and the continued uncertainties associated with COVID 19 may cause our revenue and cash flows to underperform in the next 12 months. The extent of the future impact of the COVID-19 pandemic on our business and results of operations is still uncertain.

(mm)Recently issued accounting pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The update provides “optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued.” The amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is still evaluating the impact of this new standard on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06: *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)*. This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock as well as amend the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusion. In addition, this ASU improves and amends the related EPS guidance. These amendments are effective for the Company for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The Company has completed its assessment and concluded that this update has no significant impact to the Company’s consolidated financial statements.

(nn) Significant risks and uncertainties

1) Credit risk

Credit risk is one of the most significant risks for the Company's business. Credit risk exposures arise principally in financial guarantee activities which is an off-balance sheet financial instrument.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures including due-diligence visits and post-lending visits to the clients. The Company manages credit risk through in-house research and analysis of the Chinese economy and the underlying obligors and transaction structures. To minimize credit risk, the Company requires collateral in the form of rights to cash, securities or property and equipment. The Company identifies credit risk collectively based on industry, geography and customer type. This information is monitored regularly by management.

- *Financial guarantee activities*

In measuring the credit risk of financial guarantee services with customers, the Company mainly reflects the "probability of default" by the customer on its contractual obligations and considers the current financial position of the customer and the exposures to the customer and its likely future development.

The Company manages their credit risk guarantee exposure by performing preliminary credit checks of each guarantee customer and ongoing monitoring of payments each month. Management periodically reviews the probability of default of guarantee customer and will accrue a guarantee liability when necessary.

In addition, the Company calculates the provision amount as below:

1. General Reserve - is based on total balance of off-balance-sheet guarantee and to be used to cover unidentified probable loan loss. According to management assessment, the General Reserve is required to be no less than 1% of total loan guarantee balance.
2. Specific Reserve – is based on a guarantee by guarantee basis covering losses due to risks related to the ability and intention of repayment of guarantee commissions by each customer. The reserve rate was individually assessed based on management estimate of guarantee fee commission collectability. According to management assessment, the Specific Reserve is no less than 50% of guarantee fee commission earned during the year.

The Company has been providing the financial guarantees of loans for limited history. The customer deposits or other assets are held as collateral for the repayment of each loan. As of December 31, 2021 and 2020, the amount of outstanding loans and related interests that the Company has guaranteed is approximately \$47.02 million and \$51.32 million, respectively.

(nn) Significant risks and uncertainties (continued)

- Other operating activities

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash, cash equivalents and restricted cash. The maximum exposure of such assets to credit risk is their carrying amount as at the balance sheet dates. As of December 31, 2021, the Company had no deposits with a bank in the United States. As of December 31, 2021, cash of \$1,947,142 and restricted cash of \$29,693,689, respectively, were primarily deposited in banks located in Mainland China, which were uninsured by the government authority. To limit exposure to credit risk relating to deposits, the Company primarily place cash deposits with large financial institutions in China which management believes are of high credit quality.

Significant customers are those that account for greater than 10% of the Company's revenues. The loss of any of the Company's significant customer could have a material adverse effect on our business, consolidated results of operations and financial condition.

During the years ended December 31, 2021 and 2020, there were two and one customer generated sales which accounted for over 10% of total revenues generated for that year, respectively. The details are as follows:

	For the years ended, December 31,	
	2021	2020
Customer A	25.9%	57.4%
Customer B	23.4%	5.9%

As of December 31, 2021 and 2020, accounts receivable due from these customers as a percentage of consolidated accounts receivable were as follows:

	As of December 31,	
	2021	2020
Customer A	52.5%	58.2%
Customer B	17.0%	6.5%

The Company's operations are carried out in Mainland China. Accordingly, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environments in the PRC as well as by the general state of the PRC's economy. In addition, the Company's business may be influenced by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, rates and methods of taxation, and the extraction of mining resources, among other factors.

2) Liquidity risk

The Company is also exposed to liquidity risk which is risk that it is unable to provide sufficient capital resources and liquidity to meet its commitments and business needs. Liquidity risk is controlled by the application of financial position analysis and monitoring procedures. When necessary, the Company will turn to other financial institutions and the shareholders to obtain short-term funding to meet the liquidity shortage.

3) Foreign currency risk

Substantially all of the Company's operating activities and the Company's assets and liabilities are denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions take place either through the Peoples' Bank of China ("PBOC") or other authorized financial institutions at exchange rates quoted by PBOC. Approval of foreign currency payments by the PBOC or other regulatory institutions requires submitting a payment application form together with suppliers' invoices and signed contracts. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market.

4) Other risk

The Company's business, financial condition and results of operations may also be negatively impacted by risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, such as the COVID-19 outbreak and spread, which could significantly disrupt the Company's operations (Note 2).

4. ACQUISITION OF LIXIN CAYMAN

In January 2019, the Company acquired 1% equity interest in Zhejiang Lixin at a cash consideration of \$427,318 (RMB 2,858,600)

On December 20, 2019, the Company completed the acquisition of 65.0177% equity interest in Lixin Cayman and its subsidiaries ("Lixin"), which are engaged in financial guarantee business, asset management, supply chain financing, and business factoring through its subsidiaries based in Zhejiang Province, China. The acquisition had been accounted for as a business combination in accordance with ASC 805. Under the terms of the purchase agreement, the consideration was \$39.38 million (RMB 276.00 million). As per an independent valuation report issued by a professional valuation firm dated on December 20, 2019, the fair value of 65.0177% equity interest in Lixin Cayman and its subsidiaries was \$31.09 million (RMB 217.88 million). The consideration was paid by Class B convertible preferred share which was equivalent to \$31.09 million (RMB 217.88 million) and at \$0.1065 per Class B convertible preferred share. On December 20, 2019, the Company issued 291,795,150 shares of Class B convertible preferred shares. (Note 19)

The Company assessed the Company as the accounting acquirer because of the following reasons:

- 1) The Class B preferred shares are without voting rights. Though the Company's Board has the rights to convert any or all of the Class B Preferred Shares, in whole or in part, into ordinary share. The Company does not expect the Board will exercise the rights before the conversion date. Therefore, as of the acquisition date, the Company's existing shareholders had voting rights whereas the selling shareholders of Lixin Cayman didn't have such right in the combined entity and are not expected to have such a right before conversion.

- 2) The Company's major shareholders with voting rights did not change before and after the acquisition date. There is no existence of a large minority voting interest which has a significant voting interest over the combined entity.
- 3) For the period from January 1, 2019 to the date of this report, the Company changed two executive directors and two non-executive directors in the Company's Board, all duly elected by the shareholders.
- 4) For the period from January 1, 2019 to the date of this report, the Company appointed a new Chief Executive Officer, and Lixin appointed a new Chief Financial Officer. The Company assessed the CEO dominates the senior management team of combined company.

The Company has allocated the purchase price of Lixin based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company estimated the fair values of the assets acquired and liabilities assumed at the acquisition date in accordance with the business combination standard issued by FASB. The Company used carrying amount of assets and liabilities as fair value, which approximate the fair value, and used income approach to estimate the fair value of intangible assets, including customer relationship, license and non-compete agreements. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed and intangible assets identified as of the acquisition date and considered a number of factors including valuations from an independent appraiser firm. Acquisition-related costs incurred for the acquisitions are not material and have been expensed as incurred in other operating expenses.

The following table summarizes the estimated fair values of the identifiable assets acquired at the acquisition date, which represents the net purchase price allocation at the date of the acquisition of Lixin based on a valuation performed by an independent valuation firm engaged by the Company and translated the fair value from RMB to USD using the exchange rate on December 20, 2019 at the rate of USD 1.00 to RMB 7.0086.

	Fair value
Net tangible assets (5)	\$ 44,762,922
Customer relationship (1)	156,950
License (2)	1,983,277
Non-Compete Agreements (3)	2,454,127
Deferred tax liabilities recognized	(1,148,589)
Other intangible assets (4)	243,072
Less: Noncontrolling interests	(16,936,604)
Total purchase consideration	\$ 31,515,155

- (1) Lixin has provided financial services to over 300 clients in the past four years, which will enable the Company to benefit from these customers in future operations and with an estimated average finite useful life of three years.
- (2) Lixin has obtained the Financing Guarantee Agency Business License which permits the Company to engage in financing guarantee business, non-financial guarantee business and consulting intermediary business related to guarantee business. The estimated useful life of the license is 10 years.
- (3) Pursuant to purchase agreement between the Company and Lixin, Lixin's management and key employees were limited to be engaged in similar business to compete with the Company during the performance commitment period and within six-months to two years after leaving.
- (4) Approximately \$0.24 million of other intangible assets arising from the acquisition was mainly for the assembled workforce.
- (5) The following is a reconciliation of the fair value of major classes of assets acquired and liabilities assumed which comprised of net tangible assets on December 20, 2019.

	December 20, 2019
Carrying amounts of major classes of acquired assets	
Cash, cash equivalents and restricted cash	\$ 21,442,122
Short-term investments	8,560,911
Accounts receivable, net	3,252,159
Loan receivable due from third parties	5,917,714
Pledged deposits	5,564,592
Other assets	2,537,990
Total assets	\$ 47,275,488
Less: total liabilities	(2,512,566)
Net tangible assets	\$ 44,762,922

The amount of operating income and net income what resulted from the acquisition and included in the consolidated statements of operations and comprehensive income (loss) during the year ended December 31, 2019 were \$280,972 and \$192,483, respectively.

The accounting literature establishes guidelines regarding the presentation of this unaudited pro forma information. Therefore, this unaudited pro forma information is not intended to represent, nor does the Company believe it is indicative of, the consolidated results of operations of the Company that would have been reported had the acquisition been completed as of January 1, 2019. Furthermore, this unaudited pro forma information does not give effect to the anticipated business and tax synergies of the acquisition and is not representative or indicative of the anticipated future consolidated results of operations of the Company.

The unaudited pro forma consolidated financial information reflects the historical results of the Lixin Cayman and its subsidiaries, adjusted to reflect the acquisition had it been completed as of January 1, 2019. The most significant pro forma adjustments to the historical results of operations relate to the application of purchase accounting for the acquisition. The unaudited pro forma financial information includes various assumptions, including those related to the finalization of the purchase price allocation.

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED December 31, 2019

	<u>Roan</u>	<u>Lixin Cayman and its subsidiaries*</u>	<u>Pro Forma Adjustment**</u>	<u>Pro Forma Financial Data</u>
Net revenues from services	\$ 631,140	\$ 2,591,381	\$ -	\$ 3,222,521
Net interest (loss) income after provision for loan losses	(1,580,588)	1,075,726	50,681	(454,181)
Commission and fee income on guarantee services, net	3,789	1,829,566	(45,192)	1,788,163
Operating (Loss) Income	(945,659)	5,496,673	5,489	4,556,503
Other income, net	-	195,519	-	195,519
Total Operating Expenses	(1,366,710)	(2,087,917)	(855,729)	(4,310,356)
(Loss) Income Before Income Taxes	(2,312,369)	3,604,275	(850,240)	441,666
Income tax expenses	(244,741)	(936,982)	212,560	(969,163)
Net (Loss) Income from continuing operations	(2,557,110)	2,667,293	(637,680)	(527,497)
Net income from discontinued operations, net of income tax	26,846,018	-	-	26,846,018
Net Income	24,288,908	2,667,293	(637,680)	26,318,521
Dividend – Convertible Redeemable Class A preferred stock	(686,400)	-	-	(686,400)
Net income attributable to noncontrolling interests	(76,108)	(90,928)	-	(167,036)
Net Income Attributable to Roan Holding Group Co., Ltd.'s shareholders	\$ 23,526,400	\$ 2,576,365	(637,680)	\$ 25,465,085
Weighted average number of ordinary share outstanding				
Basic	25,287,887	-	-	25,287,887
Diluted	25,287,887	-	-	25,287,887
Earnings per share				
Basic	\$ 0.93	-	-	\$ 1.01
Diluted	\$ 0.93	-	-	\$ 1.01

* The consolidated statements of income of Lixin was for the period from January 1, 2019 to December 20, 2019.

** The proforma adjustment represents the transaction elimination between Roan and Lixin, amortization of intangible assets arising from the acquisition of \$850,240, and deferred income tax benefits of \$212,560 in relation to amortization of intangible assets arising from the acquisition.

5. DISPOSITION OF FENG HUI

On July 31, 2019, the Company entered into a framework agreement (the “Agreement”) with Zhejiang Zhongfeng Investment Management Co., Ltd. (“Zhongfeng”), pursuant to which Zhongfeng will acquire a 100% equity interest in Feng Hui, a variable interest entity of the Company. Feng Hui primarily provides loan facilitation services to micro, small and medium sized enterprises in the Xinjiang Uygur Autonomous Region. The consideration was approximately \$1.44 million (RMB 10 million), and the Company received \$504,713 (RMB 3.5 million) for the year ended December 31, 2019. As of December 31, 2019, the Company had an outstanding receivable of \$932,836 (RMB 6.5 million) due from Zhejiang Zhongfeng. On April 30, 2020, the Company subsequently received additional \$0.43 million (RMB 3.0 million) from Zhongfeng.

Upon completion of the disposition on November 22, 2019, the Company released all equity interests to Feng Hui’s shareholders and those interests were transferred to Zhongfeng through Feng Hui’s shareholders. Zhongfeng assumed all assets and obligations of Feng Hui. Upon the closing of the transaction, the Company does not bear any contractual commitment or obligation to the microcredit business or the employees of Feng Hui, nor to the Purchaser.

On November 22, 2019, management was authorized to approve and commit to a plan to sell Feng Hui, therefore the major assets and liabilities relevant to the disposal are reported as components of total assets and liabilities separate from those balances of the continuing operations. At the same time, the results of all discontinued operations, less applicable income taxes, are reported as components of net income (loss) separate from the net loss of continuing operations in accordance with ASC 205-20-45. The assets relevant to the sale of Feng Hui with a carrying value of \$1.59 million were classified as assets held for sale as of November 22, 2019. The assets held for sale mainly consisted of loan receivables, net of doubtful allowance of \$1.56 million due from third parties. The liabilities relevant to the sale of Feng Hui with a carrying value of \$57.60 million were classified as liabilities held for sale as of November 22, 2019, which was comprised of loans of \$36.22 million and other current liabilities of \$20.61 million. A net gain of \$54.75 million was recognized as the net gain from disposal of discontinued operation in 2019, all attributable to the Company’s shareholders. The following is a reconciliation of net gain of \$54.75 million from disposition in the consolidated statements of operations and comprehensive income (loss):

	Fair value
Consideration in exchange for the disposal	\$ 1,435,132
Less: Net liabilities (comprised of assets of \$1,593,879 and liabilities of \$57,601,524)	(56,007,645)
Gains from disposal	57,442,777
Other comprehensive loss	(2,691,969)
Net gain from discontinued operations	\$ 54,750,808

In accordance with ASU No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, a disposal of a component of an entity or a group of components of an entity is required to be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results when the components of an entity meets the criteria in paragraph ASC205-20-45-1E to be classified as held for sale. When all of the criteria to be classified as held for sale are met, including management, having the authority to approve the action, commits to a plan to sell the entity, the major current assets, other assets, current liabilities, and noncurrent liabilities shall be reported as components of total assets and liabilities separate from those balances of the continuing operations. At the same time, the results of all discontinued operations, less applicable income taxes (benefit), shall be reported as components of net income (loss) separate from the net income (loss) of continuing operations in accordance with ASC 205-20-45.

The following is a reconciliation of the carrying amounts of major classes of assets and liabilities held for sale in the in the consolidated balance sheet as of November 22, 2019.

	November 22, 2019
Carrying amounts of major classes of assets held for sale:	
Cash	\$ 12,397
Loan receivable, net	1,557,568
Other assets	23,914
Total assets of disposal group classified as held for sale	\$ 1,593,879
Carrying amounts of major classes of liabilities held for sale:	
Loans	\$ 36,221,099
Other current liabilities	20,611,079
Income tax payable	769,346
Liabilities directly associated with the assets classified as held for sale	\$ 57,601,524

The following is a reconciliation of the amounts of major classes of income from operations classified as discontinued operations in the consolidated statements of operations and comprehensive income (loss) for the years ended December 31, 2019:

	December 31, 2019
Discontinued Operations	
Total interest and fees income	\$ 3,514
Total interest expenses	(6,314,400)
Provision for loan losses	(24,702,109)
Other operating expenses	3,108,205
Net gain from discontinued operations	54,750,808
Net income (loss) from discontinued operations	\$ 26,846,018

6. DECONSOLIDATION OF DING XIN

On September 30, 2020, the Company entered into an agreement (the “Agreement”) with Urumqi Fengxunhui Management Consulting Co., Ltd (“Fengxunhui”) pursuant to which Fengxunhui acquired a 100% equity interest in Ding Xin with a consideration of \$15,326 (RMB100,000). Upon closing of the disposition, the Company released all equity interests to Fengxunhui’s shareholders. Therefore, starting from September 30, 2020, the Company has no power to direct the relevant activities of Ding Xin due to the loss of control over Ding Xing. Accordingly, the Company deconsolidated Ding Xin and its 99%-owned subsidiary, Zhi Yuan, pursuant to guidance of ASC 810-10-40-4 which indicates that A parent shall deconsolidate a subsidiary or derecognize a group of assets specified in paragraph 810-10-40-3A as of the date the parent ceases to have a controlling financial interest in that subsidiary or group of assets.

	Fair value
Consideration	\$ 15,326
Less: carrying amount of Ding Xin’s net assets	1,782,340
Loss from deconsolidation	(1,767,014)
Other comprehensive loss	(190,396)
Non-controlling interest	4,162
Net loss from deconsolidation of subsidiaries	\$ (1,953,248)

7. DECONSOLIDATION OF Roan HK

On September 17, 2021, the Company signed an equity transfer agreement to sell 100% of the equity interest it held in Roan HK, a holding company that has no business operations, to Yuanjia Asset Management Co. Ltd. (“Yuanjia”), a BVI company, for a total of approximately \$282(HK\$2,200). The transaction was closed on September 30, 2021. Upon closing of the disposition, the Company released all equity interests to Yuanjia’s shareholders. Therefore, starting from September 30, 2021, the Company has no power to direct the relevant activities of Roan HK due to the loss of control over Roan HK. Accordingly, the Company deconsolidated Roan HK and its subsidiary, pursuant to guidance of ASC 810-10-40-4 which indicates that A parent shall deconsolidate a subsidiary or derecognize a group of assets specified in paragraph 810-10-40-3A as of the date the parent ceases to have a controlling financial interest in that subsidiary or group of assets.

	Fair value
Consideration	\$ 282
Less: carrying amount of ROAN HK’s net assets	(492,495)
Gain from deconsolidation	492,777
Other comprehensive loss	(2,494)
Net gain from deconsolidation of subsidiaries	\$ 490,283

8. RESTRICTED CASH

Restricted cash represents cash pledged with banks, other financial institutions, and other guaranteed creditors as guarantor deposit for the Company’s guarantee service customers. The banks, other financial institutions, or other guaranteed creditors providing loans to the Company’s guarantee service customers generally require the Company, as the guarantor of the loans, to pledge a cash deposit usually in the range of 10% to 20% of the guaranteed amount, and the other financial institutions requires of a cash deposit of 50% of the guaranteed amount. The deposits are released after the guaranteed loans are paid off and the Company’s guarantee obligation expires which is usually within 12 months.

At the same time, the Company requires the guarantee service customers to make a deposit to the Company of the same amount as the deposit the Company pledged to the banks, other financial institutions, and other guaranteed creditors for their loans if the customer does not pledge or collateralize other assets with the Company. The Company recorded the deposit received as restricted cash on the consolidated balance sheet. The deposit is returned to the customer after the customer repays the loan and the Company’s guarantee obligation expires.

As of December 31, 2021, the Company's restricted cash is comprised of:

	December 31, 2021	December 31, 2020
Restricted cash in banks and other financial institutions	\$ 20,592,223	\$ 16,986,667
Restricted cash in other guaranteed creditors	9,101,466	8,888,889
	<u>\$ 29,693,689</u>	<u>\$ 25,875,556</u>

9. ACCOUNTS RECEIVABLE, NET

As of December 31, 2021 and 2020, the accounts receivable consisted of the following:

	December 31, 2021	December 31, 2020
Accounts receivable	\$ 7,704,859	\$ 7,679,722
Less: allowance for credit losses	775,330	740,370
	<u>\$ 6,929,529</u>	<u>\$ 6,939,352</u>

Movement of allowance for credit losses was as follows:

	December 31, 2021	December 31, 2020
Balance, opening	\$ 740,370	\$ 405,802
Provisions	17,318	290,706
Foreign exchange loss	17,642	43,862
Balance, ending	<u>\$ 775,330</u>	<u>\$ 740,370</u>

10. OTHER RECEIVABLES

As of December 31, 2021 and 2020, other receivables consisted of the following:

	December 31, 2021	December 31, 2020
Receivable from a guarantee customer	\$ -	\$ 3,187,739
Other receivables	678,983	363,664
Less: allowance for credit losses	22,148	5,650
	<u>\$ 656,835</u>	<u>\$ 3,545,753</u>

11. LOANS DUE FROM THIRD PARTIES

	December 31, 2021	December 31, 2020
Loans due from third parties (1)	\$ 23,790,917	\$ 17,698,084
Less: allowance for credit losses	39,446	27,432
	<u>\$ 23,751,471</u>	<u>\$ 17,670,652</u>

- (1) As of December 31, 2020, the balance of loans due from third parties was comprised of loans of \$11,384,625, \$3,306,744, \$2,354,965, \$417,742 and \$153,019 due from five third parties, and a non-interest bearing loan of \$0.54 million due from a third party. These five interest bearing loans are due within 12 months from the balance sheet date and have an interest rate of ranging from 7% to 14%. The loans of \$11,384,625, \$3,306,744, \$2,354,965, and \$153,019 are pledged either with real estate assets or customer's trade receivables.

As of December 31, 2021, the balance of loans due from third parties was comprised of loans of \$11,807,096, \$6,622,101, \$5,306,798 due from three parties, and a non-interest bearing loan of \$0.54 million due from a third party. These three interest bearing loans are due within 12 months from the balance sheet date and have an interest rate of ranging from 7% to 14%. The loans of \$6,622,101 and \$5,306,798 are pledged either with real estate assets or customer's trade receivables.

For the years ended December 31, 2021 and 2020, a net provision of \$12,014 and \$27,432 were charged against the consolidated statements of operations and comprehensive income (loss), respectively. For the years ended December 31, 2021 and 2020, the Company did not charge write-offs against provisions.

Interest on loans receivable is accrued and credited to income as earned. The Company determines a loan's past due status by the number of days that have elapsed since a borrower has failed to make a contractual loan payment. Accrual of interest is generally discontinued when either (i) reasonable doubt exists as to the full, timely collection of interest or principal or (ii) when a loan becomes past due by more than 90 days.

As of December 31, 2021, loan balance of \$6,440,370 aged between 180 ~ 365 days, and balance of \$5,085,836 aged over one year.

Movement of allowance for credit losses was as follows:

	December 31, 2021	December 31, 2020
Balance at beginning of the year	\$ 27,432	\$ 4,870,838
Reduction due to deconsolidation	-	(4,870,838)
Provisions	12,014	27,432
Balance at end of the year	\$ 39,446	\$ 27,432

12. OTHER CURRENT ASSETS

Other current assets consist of the following:

	December 31, 2021	December 31, 2020
Prepaid expenses	70,910	38,948
Prepayment to a supplier for procurement of healthcare products	-	3,463,602
	\$ 70,910	\$ 3,502,550

13. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	December 31, 2021	December 31, 2020
Electronic equipment	\$ 137,523	\$ 137,046
Vehicles	131,894	239,641
Office equipment	24,594	27,215
Leasehold improvements	50,805	49,618
Less: Accumulated depreciation	267,743	388,447
	\$ 77,073	\$ 65,073

Depreciation expenses totaled \$46,946, \$73,894 and \$15,184 for the years ended December 31, 2021, 2020 and 2019, respectively. During fiscal year 2021, the Company disposed two vehicles and recorded a gain of \$33,246. During fiscal year 2020, the Company disposed of the building and recorded a gain of \$137,624.

14. INTANGIBLE ASSETS, NET

Intangible assets consist of the following:

	December 31, 2021	December 31, 2020
Customer relationship	\$ 172,614	\$ 168,583
License	2,181,213	2,130,269
Non-Compete Agreements	2,699,056	2,636,015
Less: Accumulated amortization	1,929,489	957,000
	<u>\$ 3,123,394</u>	<u>\$ 3,977,867</u>

Amortization expenses totaled \$938,900, \$877,245 and \$33,138 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The following table sets forth the Company's amortization expenses for the twelve months ending December 31 of the following years:

2022	\$ 948,689
2023	872,550
2024	218,121
2025	218,121
2026	218,121
Thereafter	647,792
	<u>\$ 3,123,394</u>

15. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

	December 31, 2021	December 31, 2020
Accrued payroll	\$ 455,442	\$ 355,314
Dividends due to former shareholders of Zhejiang Jingyuxin (1)	186,737	182,375
Other current liabilities	513,724	1,104,371
	<u>\$ 1,155,903</u>	<u>\$ 1,642,060</u>

(1) The balance represented the unpaid dividends due to former shareholders of Lixin, who sold equity interests in Lixin to the Company.

16. INCOME TAXES

Cayman Islands

Under the current tax laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

British Virgin Islands

Under the current tax laws of BVI, the Company's subsidiary incorporated in the BVI is not subject to tax on income or capital gains.

Hong Kong

Roan HK and Lixin HK are incorporated in Hong Kong and are subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate for the first HKD\$2 million of assessable profits is 8.25% and assessable profits above HKD\$2 million will continue to be subject to the rate of 16.5% for corporations in Hong Kong, effective from the year of assessment 2018/2019. Before that, the applicable tax rate was 16.5% for corporations in Hong Kong. The Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong since inception. Under Hong Kong tax laws, Roan HK and Lixin HK are exempted from income tax on its foreign-derived income and there are no withholding taxed in Hong Kong on remittance of dividends.

PRC

PRC subsidiaries are subject to PRC Enterprise Income Tax ("EIT") on the taxable income in accordance with the relevant PRC income tax laws. The EIT rate for companies operating in the PRC is 25%.

Income tax expenses consist of the following:

	For the Years Ended December 31,		
	2021	2020	2019
Current income tax expenses	\$ 594,272	\$ 771,639	\$ 187,067
Deferred income tax expenses (recovery)	(265,421)	(1,001,372)	57,674
Income tax expenses (recovery)	\$ 328,851	\$ (229,733)	\$ 244,741

Below is a reconciliation of the statutory tax rate to the effective tax rate for the Company:

	For the Years Ended December 31,		
	2021	2020	2019
PRC statutory income tax rate	25%	25%	25%
Effect of different income tax rate in other jurisdictions	1%	4%	(8.2)%
Effect of non-deductible expenses	1%	3%	(0.1)%
Effect of temporary differences	1%	7%	-%
Effect of valuation of deferred tax allowance	9%	5%	(27.3)%
Effective tax rate	37%	44%	(10.6)%

Deferred tax assets (liabilities), net as of December 31, 2021 and 2020 consist of the following:

	December 31, 2021	December 31, 2020
Deferred tax assets		
Provision for financial guarantee services	\$ 38,870	\$ 23,772
Allowance on doubtful accounts	190,576	179,186
Accrued expenses	-	7,685
Lease liability	16,375	73,603
Net operating loss carrying forward	165,290	45,089
Less: valuation allowance	(165,290)	(42,208)
Total deferred tax assets	<u>\$ 245,821</u>	<u>\$ 287,127</u>
Deferred tax liabilities		
Right-of-use assets	(9,328)	(86,504)
Recognition of intangible assets arising from business combination	(780,849)	(994,471)
Deferred tax liabilities, net	<u>\$ (544,356)</u>	<u>\$ (793,848)</u>

As of December 31, 2021 and 2020, the Company had net operating loss carry forwards of \$562,798 and \$188,408, respectively. The net operating loss can be carried forward up to 2025 for PRC entities and can be carried forward for Hong Kong entities indefinitely. The Company reviews deferred tax assets for a valuation allowance based upon whether it is more likely than not that the deferred tax asset will be fully realized. Therefore, valuation allowance was recognized against the deferred tax assets based upon management's assessment as to their realization.

The Company evaluates its valuation allowance requirements at end of each reporting period by reviewing all available evidence, both positive and negative, and considering whether, based on the weight of that evidence, a valuation allowance is needed. When circumstances cause a change in management's judgement about the realizability of deferred tax assets, the impact of the change on the valuation allowance is generally reflected in income from operations. The future realization of the tax benefit of an existing deductible temporary difference ultimately depends on the existence of sufficient taxable income of the appropriate character within the carryforward period available under applicable tax law.

Uncertain tax positions

The Company evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of December 31, 2021 and 2020, the Company did not have any significant unrecognized uncertain tax positions or any unrecognized liabilities, interest or penalties associated with unrecognized tax benefit. The Company does not believe that its uncertain tax benefits position will materially change over the next twelve months.

17. EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted loss per common share for the years ended December 31, 2021, 2020 and 2019, respectively:

	For the Years Ended December 31,		
	2021	2020	2019
Net Income (Loss) Attributable to Roan Holding Group Co., Ltd.'s shareholders	<u>\$ 371,091</u>	<u>\$ (1,692,654)</u>	<u>\$ 23,526,400</u>
Net income (loss) from continuing operations attributable to Roan Holdings Group Co., Ltd.'s shareholders	\$ 371,091	\$ (1,692,654)	\$ (3,319,618)
Net income from discontinued operations, net of income tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,846,018</u>
Weighted average number of ordinary share outstanding			
Basic and Diluted*	<u>25,287,887</u>	<u>25,287,887</u>	<u>25,287,887</u>
Earnings per share			
Net income (loss) per share from continuing operations – Basic and Diluted	\$ 0.01	\$ (0.07)	\$ (0.13)
Net earnings per share from discontinued operations – Basic and Diluted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1.06</u>

Basic loss per share to the ordinary shareholders are computed by dividing the net loss attributable to the ordinary shareholders by the weighted average number of common shares outstanding during the year. Diluted loss per share is the same as basic loss per share due to the lack of dilutive items in the Company for the years ended December 31, 2021, 2020 and 2019. The number of warrants, Class A preferred shares and Class B preferred shares are excluded from the computation as the anti-dilutive effect.

18. RELATED PARTY TRANSACTIONS AND BALANCES

1) *Transactions with related parties*

During fiscal year 2020, the Company advanced a loan of \$91,954 to a shareholder, Mr. Yuan Shen. The loan is interest free and due on demand as of December 31, 2020. The Company has agreed to offset this loan with the other related party balance due to this same shareholder subsequent to yearend. (Refer to Note 18.2) below for balance due to this related party.

During fiscal year 2021, the Company purchased health products of \$3,907 from Furuikang biomedical Technology (Zhejiang) Co., Ltd. ("FuruiKang"). The shareholder of Furuikang is a beneficial owner of the Company. The transactions are arm-length transactions. As of December 31, 2021, the amount due from Mr. Zhiyong Tang, the Company's Chief Executive Officer, was \$5,941. This amount was advanced travel fees and non-interest bearing. During the fiscal year 2021, the Company and Ms. Yuan Shen had agreed to offset the advanced loan of \$91,954 provided in fiscal year 2020 with the balance due to Ms. Yuan Shen. After the offsetting, the amount due to Mr. Yuan Shen was \$119,210 (Refer to Note 18.2). The amount was non-interest bearing and due on demand.

2) *Balances with related parties*

As of December 31, 2021, the balance of due from related parties of \$5,941 consisted of an advance of \$5,941 to Mr. Zhiyong Tang.

As of December 31, 2021, the balance of due to related parties of \$123,117 consisted of an advanced fund of \$119,210 provided by Ms. Yuan Shen, and a payable of \$3,907 to Furuikang.

19. REDEEMABLE CONVERTIBLE PREFERRED SHARES

Class A Preferred Share

On July 6, 2016, the Company sold 715,000 Class A Preferred Shares at a price of \$12.00 per Class A Share with an annual dividend of 8%. The Company received gross proceeds of \$8,580,000 from this private placement without issuance cost.

The Class A Shares were mandatorily redeemable at a price \$12.00 per Class A Share (subject to equitable adjustments for stock splits, stock dividends, recapitalizations and other similar adjustments), plus accrued dividends on the fifth anniversary of the original issue date of the Class A Shares ("Mandatory Conversion Date"). Each Class A Share is convertible into one ordinary share (subject to equitable adjustments for stock splits, stock dividends, recapitalizations and other similar adjustments) at shareholder's option after the closing of an initial acquisition by the Company, whether through a merger, share reconstruction or amalgamation, asset or share acquisition, exchangeable share transaction, contractual control arrangement or other similar type of transaction, with an acquiree at fair value ("Business Combination"). The Class A preferred shares are automatically convertible on the date on which the average closing price of the Company's ordinary shares for three consecutive trading days, that is equal to or exceeds \$6.00, provided that such date is after the closing of the Business Combination.

In the event of a Reorganization Event occurring following the closing of the Business Combination (which includes certain business combinations involving the Company or the Company having confirmed that at least 80% of the Class A Shares originally issued have elected to be converted at the election of their holders), each Class A Share outstanding immediately prior to such Reorganization Event shall be redeemed by the Company by making a redemption payment equal to the greater of the following (as reasonably determined by the Company's Board of Directors): (i) an amount in cash equal to the liquidation preference, plus an amount equal to accumulated and unpaid dividends as of (but excluding) the date of the Reorganization Event, per Class A Share that is so redeemed, or (ii) the kind of securities, cash and other property that the holder of Class A Shares holding such Class A Share would have been entitled to receive if such holder had converted its Class A Shares into ordinary shares immediately prior to such Reorganization Event.

The Company did not recognize the beneficial conversion feature for the Class A Preferred shares since each Class A Share is convertible into one ordinary share (subject to equitable adjustments for stock splits, stock dividends, recapitalizations and other similar adjustments) at holder's option. In accordance with ASC 480, redemption provisions not solely within the control of the Company require the security to be classified outside of permanent equity. ASC 480-10-S99 notes that if a reporting entity issues preferred shares that are conditionally redeemable (e.g., at the holder's option or upon the occurrence of an uncertain event not solely within the company's control), the shares are not within the scope of ASC 480 because there is no unconditional obligation to redeem the shares by transferring assets at a specified or determinable date or upon an event certain to occur. If the uncertain event occurs, the condition is resolved, or the event becomes certain to occur, then the shares become mandatorily redeemable under FAS 150 and would require reclassification to a liability. The Class A Preferred Shares have been classified as mezzanine equity in the consolidated financial statement, presented below total liabilities but not included in the subtotal for total equity as of December 31, 2018. The Class A Preferred Share is not deemed to be an embedded derivative instrument to be bifurcated since it's indexed to its own stock.

In December 2019, the Company's board approved an amendment to the Memorandum and Articles of Association ("M&A "). Pursuant to the new M&A, each Class A Share is convertible into two ordinary share (subject to equitable adjustments for stock splits, stock dividends, recapitalizations and other similar adjustments) at shareholder's option after the closing of the Business Combination. The Class A preferred shares are automatically convertible on the date on which the average closing price of the Company's ordinary shares for three consecutive trading days, that is equal to or exceeds \$6.00, provided that such date is after the closing of the Business Combination.

The new M&A granted the Directors with the rights to convert any or all of the Class A Preferred Shares, in whole or in part, into ordinary shares prior to the Mandatory Conversion Day. In the event of a Reorganization Event occurring following the closing of the Business Combination, the directors also have the rights to convert any or all of the Class A Preferred Shares, in whole or in part, into ordinary shares prior to the Mandatory Conversion Day, or to repurchase or redeem any or all of the Class A Preferred Shares, in whole or in part (but in no event less than one Class A Preferred Share), for a cash amount equal to the value of the Class A Preferred Shares being repurchased or redeemed on an as-converted basis.

With the amendment to the M&A, the redemption of Class A Preferred Shares is no longer solely within the control of the holders of these preferred shares. As the Class A Preferred Shares does not embody an unconditional obligation that requires the Company to redeem the preferred shares by transferring cash or assets, and it does not contain a specific date upon which assets must be transferred. The preferred shares are not considered mandatorily redeemable and are scoped out of ASC 480, Liabilities. In addition, the redemption was not solely controlled by the holders of the preferred shares, it was not required to be classified out of permanent equity. The Class A Preferred Shares was classified as an equity as of December 31, 2021 and 2020.

The Company did not recognize the beneficial conversion feature for the Class A Preferred shares since each Class A Share is convertible into two ordinary shares (subject to equitable adjustments for stock splits, stock dividends, recapitalizations and other similar adjustments) at either party's discretion. The Class A Preferred Share is not deemed to be an embedded derivative instrument to be bifurcated since it's indexed to its own stock.

As of December 31, 2021 and 2020, dividend of \$0.69 million and \$0.69 million was accrued for Convertible Redeemable Class A Preferred Shares The balance for Class A Preferred Shares was \$11.71 million and \$11.03 million, respectively.

Class B Preferred Share

On December 20, 2019, the Company issued 291,795,150 shares of Class B Preferred Shares to exchange 65.0177% equity interest in Lixin Cayman and its subsidiaries.

The Class B Preferred Shares are characteristic with 1) No voting rights at a shareholder meeting or on any resolution of members; 2) No rights to receive any dividends declared on any shares of the Company; 3) Rights of liquidation preference. In the event of any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary, each Class B Holders shall be entitled to receive, in priority to the holders of any other class of Shares in the Company, an amount equal to their pro rata share of the Class B Liquidation Preference Amount, which is calculated at an aggregation of RMB 276 million and liquidation premium of 8% per annum of RMB 276 million.

The Class B Shares are mandatorily converted into Ordinary Shares of the Company on the second anniversary of the original issue date of the Class B Shares, at a rate of 1 Ordinary Share per Class B Preferred Share so converted, or can be redeemed at a conversion price calculated at the average closing price per share for ninety consecutive trading days before conversion date. Because the Company's board has the rights to convert any or all of the Class B Preferred Shares, in whole or in part, into ordinary shares. As such, the redemption provisions are solely at the discretion of the Company.

In the event of a Reorganization Event occurring following the closing of the an initial acquisition by the Company, whether through a merger, share reconstruction or amalgamation, asset or share acquisition, exchangeable share transaction, contractual control arrangement or other similar type of transaction, with an acquiree at fair value ("Business Combination"), the directors also have the rights to convert any or all of the Class B Preferred Shares, in whole or in part, into ordinary shares prior to the Mandatory Conversion Day, or to repurchase or redeem any or all of the Class B Preferred Shares, in whole or in part (but in no event less than one Class B Preferred Share), for a cash amount equal to the value of the Class B Preferred Shares being repurchased or redeemed on an as-converted basis.

On December 22, 2021, the Board of Directors of the Company unanimously passed a resolution to amend the Memorandum and Articles of Association (the "Amended M&A II") to amend the definition of "Class B Conversion Date" of Class B preferred shares, on which the Class B preferred shares of the Company shall automatically convert into ordinary shares of the Company. Under the Amended M&A II, the "Class B Conversion Date" has been extended from two years after the date on which the Class B Preferred Shares were issued to thirty months after such issuance date.

As the Class B Preferred Shares does not embody an unconditional obligation that requires the Company to redeem the preferred shares by transferring cash or assets, and it does not contain a specific date upon which assets must be transferred. The preferred shares are not considered mandatorily redeemable and are scoped out of ASC 480, Liabilities. In addition, the redemption provisions are solely at the discretion of the Company. The Class B Preferred Shares was classified as an equity as of December 31, 2021 and 2020.

The Company did not recognize the beneficial conversion feature for the Class B Preferred shares since each Class B Share is convertible into one ordinary share (subject to equitable adjustments for stock splits, stock dividends, recapitalizations and other similar adjustments) at either party's discretion. The Class B Preferred Share is not deemed to be an embedded derivative instrument to be bifurcated since it's indexed to its own stock.

As of December 31, 2021 and 2020, the balance for Class B Preferred Shares was \$31.09 million and \$31.09 million, respectively.

20. EQUITY

Ordinary share

The Company is authorized to issue unlimited ordinary shares. Holders of the Company's ordinary shares are entitled to one vote for each share.

On July 6, 2018, the Company and certain institutional investors entered into a securities purchase agreement ("Private Placement"), pursuant to which the Company agreed to sell to such investors an aggregate of 769,232 ordinary shares together with Series A warrants to purchase a total of 576,924 ordinary shares (the "Series A Warrants"), for gross proceeds of approximately \$2.0 million. Each investor will receive a Series A Warrant to purchase a number of shares equal to 75% of the number of ordinary shares the investor purchases in the offering with a warrant term of four (4) years. The purchase price for each ordinary share and the related Series A Warrants is \$2.60. The Series A Warrants have an exercise price of \$2.60. In connection with the offering, the investors also received Series B warrants with an initial face amount of 200,000 ordinary shares, which are subject to adjustment not in excess of an aggregate of 462,843 ordinary shares (the "Series B Warrants") for nominal consideration. If on the 30th day after the closing date of the transaction (the "Adjustment Date"), the closing bid price of the Company's ordinary shares is less than \$2.60, the investors shall have the right to exercise the Series B Warrants and the number of ordinary shares to be issued to the investors upon exercise of the Series B Warrants shall be adjusted (upward or downward, as necessary) based on the closing bid price of the Company's ordinary shares on such date. The closing of the offering took place on July 10, 2018. On August 9, 2018, the closing bid price of the Company's ordinary shares was \$1.29, and thus the Series B Warrant was exercised for 390,579 ordinary shares.

As of December 31, 2021 and 2020, there were 25,287,851 and 25,287,851 ordinary shares issued and outstanding, respectively.

Ordinary Shares Held in Escrow

Upon consummation of the business combination between the Company and Adrie, an aggregate of 20 million ordinary shares were issued and 8 million of the issued ordinary shares were deposited in escrow (the “Escrow Shares”). One-third of the Escrow Shares (along with the related accrued dividends and distributions) shall be released upon the post-combination company obtaining certain specified adjusted consolidated net income targets in each of calendar years 2016, 2017 and 2018.

The target adjusted consolidated net income ranging in 2016 from \$20.2 million at the bottom to \$32.0 million at the top, in 2017 from \$22.6 million at the bottom to \$38.0 million at the top, and in 2018 from \$25.6 million at the bottom to \$44.0 million at the top, and with the average adjusted consolidated net income target for the alternative earn-out payment ranging from \$23.3 million at the bottom to \$40.0 million at the top.

The Company has achieved the earn-out payment requirement in 2016 thus one third of 8 million escrowed restricted shares were released in 2017. However, the Company has not achieved the earn-out payment requirement in both 2018 and 2017, thus the two thirds of 8 million escrowed restricted shares were not released.

Preferred Shares

The Company is authorized to issue unlimited preferred shares, in one or more series, with such designations, voting and other rights and preferences as may be determined from time to time by the board of directors. As of December 31, 2021 and 2020, there were 715,000 and 715,000 Class A preferred shares issued and outstanding, respectively. As of December 31, 2021 and 2020, there were 291,795,150 and 291,795,150 Class B preferred shares issued and outstanding.

Warrants

A summary of warrants activity for the years ended December 31, 2021 and 2020 is as follows:

	Number of shares	Weighted average life	Expiration dates
Balance of warrants outstanding as of December 31, 2017	9,280,323	3.52 years	July 6, 2021
Grants of Series A Warrants	576,924	3.48 years	July 9, 2022
Grants of Placement Agent Warrant	46,154	3.48 years	July 9, 2022
Grants of Series B Warrants	390,579	0.08 years	August 9, 2018
Exercise of Series B Warrants	(390,579)		
Balance of warrants outstanding as of December 31, 2018	9,903,401	2.58 years	*
Balance of warrants outstanding as of December 31, 2019	9,903,401	1.58 years	*
Balance of warrants outstanding as of December 31, 2020	9,903,401	0.58 years	*
Expire of Warrants issued in July 6, 2016	(9,280,323)		
Balance of warrants outstanding as of December 31, 2021	623,078	0.52 years	

* As of December 31, 2021, the Company's 623,078 shares of warrants were comprised of 576,924 Series A Warrants and 46,154 Placement Agent Warrants, which would expire on July 9, 2022. On July 6, 2021, 9,280,323 shares of warrants were expired. As at of December 31, 2021, the Company had 623,078 shares of warrants, which would expire on July 9, 2022.

Series A Warrants

In connection with the private placement closed on July 10, 2018, the Company issued Series A warrants to investors to purchase a total of 576,924 ordinary shares with a warrant term of four (4) years. The Series A Warrants have an exercise price of \$2.60 per share. On January 9, 2019, the Board of the Company approved a downward adjustment of exercise price from \$2.6 to \$1.18.

The Series A Warrants have customary anti-dilution protections including a "full ratchet" anti-dilution adjustment provision which are triggered in the event the Company sells or grants any additional shares of common stock, options, warrants or other securities that are convertible into common stock at a price lower than \$2.60 per share. The anti-dilution adjustment provision is not triggered by certain "exempt issuances" which among other issuances, includes the issuance of shares of common stock, options or other securities to officers, employees, directors, consultants or service providers.

Based on an evaluation as discussed in FASB ASC 815-15, "Embedded Derivatives" and FASB ASC 815-40-15, "Contracts in Entity's Own Equity – Scope and Scope Exceptions," the Company determined that the Series A Warrants were not considered indexed to its own stock because neither the occurrence of a sale of equity securities by the issuer at market nor the issuance of another equity contract with a lower strike price is an input to the fair value of a fixed-for-fixed option or forward on equity shares. As such, the Series A Warrants was classified as a liability. Liability classification requires the warrant to be re-measured to their fair value for each reporting period.

As of July 10, 2018, December 31, 2020 and 2021, the Company estimated fair value of the Series A Warrants at, \$1,202,310, \$15,739 and \$12,500 respectively, using the Black-Scholes valuation model, which took into consideration the underlying price of ordinary shares, a risk-free interest rate, expected term and expected volatility. As a result, the valuation of the warrant was categorized as Level 3 in accordance with ASC 820, "Fair Value Measurement".

On the July 10, 2018, December 31, 2020 and 2021, the Company estimated the fair value of Series A Warrants using the following assumption.

	On July 10, 2018	On December 31, 2020	On December 31, 2021
Terms of warrants	48 months	18 months	6 months
Exercise price	2.60	1.18	1.18
Risk free rate of interest	2.77%	0.12%	0.19%
Dividend yield	0.00%	0.00%	0.00%
Annualized volatility of underlying stock	2.03	2.19	2.19

Series B Warrants

In connection with the private placement closed on July 10, 2018, the investors also received Series B warrants with an initial face amount of 200,000 ordinary shares, which are subject to adjustment not in excess of an aggregate of 462,843 ordinary shares (the “Series B Warrants”) for nominal consideration. If on the 30th day after the closing date of the transaction (the “Adjustment Date”), the closing bid price of the Company’s ordinary shares is less than \$2.60, the investors shall have the right to exercise the Series B Warrants and the number of ordinary shares to be issued to the investors upon exercise of the Series B Warrants shall be adjusted (upward or downward, as necessary) based on the closing bid price of the Company’s ordinary shares on such date.

Based on an evaluation as discussed in FASB ASC 815-40-15, “Contracts in Entity’s Own Equity – Scope and Scope Exceptions,” the Company determined that the Series B Warrants were not considered indexed to its own stock because the settlement amount does not equal the difference between the fair value of a fixed number of the Company’s shares and a fixed strike price. Liability classification requires the warrant to be re-measured to their fair value for each reporting period.

The Company estimated its fair value of the Series B Warrants at \$504,499 using the Black-Scholes valuation model on the July 10, 2018 using the following assumption.

	On July 10, 2018
Terms of warrants	1 month
Exercise price	0.001
Risk free rate of interest	1.88%
Dividend yield	0.00%
Annualized volatility of underlying stock	0.87

On August 9, 2018, the closing bid price of the Company’s ordinary shares was \$1.29, and thus the investors exercised the Series B Warrant for 390,579 ordinary shares at \$391. The carrying fair value of the warrant liabilities on the exercise day was \$0.50 million and the fair value change in warrant liabilities for the years ended December 31, 2018 was \$652. The Company incurred a gain of \$652 upon exercise of the warrants.

Placement Agent Warrants

On April 6, 2018, the Company entered into a letter agreement with FT Global Capital, Inc., as exclusive placement agent (the “Placement Agent”), pursuant to which the Placement Agent has agreed to act as placement agent on a best efforts basis in connection with the above offering. In addition to the cash payments, the Company has also agreed to issue to the Placement Agent a warrant to purchase a number of ordinary shares equal to 6.0% of the aggregate number of ordinary shares sold in this offering, which warrant will have the same term as Series A Warrants, including exercise price, vesting period, antidilution terms and etc. As such, same as the classification of Series A Warrants, the Placement Agent Warrants were classified as a liability, which requires the warrant to be re-measured to their fair value for each reporting period.

As of July 10, 2018, December 31, 2020 and 2021, the Company estimated fair value of the Placement Agent Warrants at \$96,185 \$1,477 and \$1,259, respectively, using the Black-Scholes valuation model. The assumptions used to estimate the fair value of the warrants were the same as those used for Series A Warrants.

Allocation of Issuance Costs

In connection with the Private Placement closed on July 10, 2018, the Company incurred direct and incremental issuance costs of \$310,000. These costs were allocated to common stock, Series A Warrants and Series B Warrants in proportion to the allocation of proceeds. The issuance costs allocated to common stock were accounted for as a reduction of proceeds of the common stocks, while the issuance costs allocated to warrants were accounted for as non-operating expenses.

Statutory reserve

The Company’s ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiary. Relevant PRC statutory laws and regulations permit payments of dividends by the Company’s PRC subsidiaries only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations and after it has met the PRC requirements for appropriation to statutory reserves. Paid in capital of the PRC subsidiaries included in the Company’s consolidated net assets are also non-distributable for dividend purposes. The results of operations reflected in the accompanying consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of PRC subsidiaries. The Company is required to set aside at least 10% of their after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, the Company may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion fund and staff bonus and welfare fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends.

As of December 31, 2021 and 2020, the Company had statutory reserve of \$362,797 and \$202,592, respectively.

21. SEGMENT REPORTING

In accordance with ASC 280, Segment Reporting, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”), or decision making group, in deciding how to allocate resources and in assessing performance. The Company uses the “management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company’s chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company’s reportable segments. Management, including the chief operating decision maker, reviews operation results by the revenue of different services. For the year ended December 31, 2021 and 2020, the Company has two operating business lines, including business conducted by Adrie and its subsidiaries, primarily management and assessment services and factoring business, and business conducted by Lixin Cayman and its subsidiaries, primarily financial guarantee and consulting services. Based on management’s assessment, the Company has determined that the two operating business lines are two operating segments as defined by ASC 280.

The following table presents summary information by segment for the years ended December 31, 2021 and 2020:

	For the Year Ended December 31, 2021			
	Business conducted by Adrie and its subsidiaries	Business conducted by Lixin Cayman and its subsidiaries	Elimination	Total
Net revenues of services	\$ 358,299	\$ 726,866	\$ (291,874)	\$ 793,291
Commission and fee income on guarantee services, net	-	527,023	(127,496)	399,527
Total interest and fee income	804,734	1,609,933		2,414,667
Net (loss) income from operation	\$ (573,845)	\$ 882,731	\$ -	\$ 308,886
Depreciation	\$ (267)	\$ (129,910)	\$ -	\$ (130,177)
Capital expenditures	\$ -	\$ -	\$ -	\$ -
Income tax recovery (expense)	\$ 40,804	\$ (369,655)	\$ -	\$ (328,851)
Segment (loss) profit from continuing operations	\$ (263,173)	\$ 1,020,474	\$ -	\$ 757,301
Segment assets as of December 31, 2021	\$ 11,681,319	\$ 56,675,503	\$ (1,713,844)	\$ 66,642,978

	For the Year Ended December 31, 2020			
	Business conducted by Adrie and its subsidiaries	Business conducted by Lixin Cayman and its subsidiaries		Total
Net revenues of services	\$ 75,280	\$ 2,057,400		\$ 2,132,680
Commission and fee income on guarantee services, net	-	285,606		285,606
Total interest and fee income	20,601	2,459,235		2,479,836
Net income from operation	\$ 95,881	\$ 4,802,241		\$ 4,898,122
Depreciation	\$ (376)	\$ (39,951)		\$ (40,327)
Capital expenditures	\$ -	\$ -		\$ -
Income tax recovery (expense)	\$ (6,734)	\$ 236,467		\$ 229,733
Segment (loss) profit from continuing operations	\$ (762,041)	\$ 1,860,683		\$ 1,098,642
Segment assets as of December 31, 2020	\$ 9,990,995	\$ 57,712,165		\$ 67,703,161

22. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Company may be subject to certain legal proceedings, claims and disputes that arise in the ordinary course of business. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity.

Lease commitments

As of December 31, 2021, the Company leases offices space under a number of non-cancellable operating lease arrangements, none of which had a term of over 12 months. The Company considers those renewal or termination options that are reasonably certain to be exercised in the determination of the lease term and initial measurement of right of use assets and lease liabilities. Lease expense for operating lease is recognized on a straight-line basis over the lease term.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In calculating the initial values of right of use assets and liabilities at inception date, the Company uses the rate implicit in the lease, when available or readily determinable, to discount lease payments to present value. When the leases do not provide a readily determinable implicit rate, the Company discount lease payments based on an estimate of its incremental borrowing rate.

The table below presents the operating lease related assets and liabilities recorded on the balance sheets.

	December 31, 2021	December 31, 2020
Right of use assets	<u>\$ 37,313</u>	<u>\$ 346,017</u>
Operating lease liabilities, current portion	\$ 65,498	\$ 191,643
Operating lease liabilities, noncurrent portion	-	102,767
Total operating lease liabilities	<u>\$ 65,498</u>	<u>\$ 294,410</u>

As of December 31, 2021, the weighted average remaining lease term was 0.33 years, and discount rates were 4.75% for the operating lease.

Rental expense for the years ended December 31, 2021, 2020, and 2019 was \$146,498, \$134,457 and \$78,756, respectively.

The following is a schedule, by years, of maturities of lease liabilities as of December 31, 2021:

Twelve months ended December 31, 2022	\$ 65,758
Total lease payments	65,758
Less: imputed interest	(260)
Present value of lease liabilities	<u>\$ 65,498</u>

23. SUBSEQUENT EVENTS

On February 28, 2022, the Company entered a five-year cooperation agreement with Jiushang (Hangzhou) Semiconductor Technology Co., Ltd. ("Jiushang") to jointly develop semiconductor operating businesses.

On April 2, 2022, Roan and Jiushang established a joint venture, Zhongxin Future (Hangzhou) Semiconductor Technology Industry Development Co., Ltd.. Roan and its business partner, own 22% and 38% of the equity, respectively, and the remaining 40% is held by Jiushang. The profit share will be 60% and 40% between Jiushang and Roan and its business partner, respectively. The registered capital of the joint venture is RMB100 million. The Company has not paid for this investment as of the date of this report.

In accordance with ASC Topic 855, "Subsequent Events" which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued, the Company has evaluated all events or transactions that occurred up to the date the audited financial statements were available to issue. Based upon this review, the Company has not identified any subsequent events that would have required adjustment or disclosure in the condensed financial statements.

ITEM 19. EXHIBITS

Exhibit No.	Description
1.1	<u>Amended and Restated Memorandum and Articles of Association (incorporated by reference from Exhibit 3.1 of registrant's Form 6-K filed with the SEC on December 23, 2021)</u>
2.1	<u>Underwriting Agreement, dated September 30, 2014, between the Company and EarlyBirdCapital, Inc. as representative for the underwriters (incorporated by reference from Exhibit 2.1 of registrant's Annual Report on Form 20-F filed with the SEC on March 3, 2017, for the fiscal year ended December 31, 2016)</u>
2.2	<u>Form of Specimen Ordinary Share Certificate of Roan Holdings Group Co., Ltd. (incorporated by reference from Exhibit 2.1 of registrant's Annual Report on Form 20-F filed with the SEC on March 3, 2017, for the fiscal year ended December 31, 2016)</u>
2.3	<u>Form of Specimen Warrant Certificate of Roan Holdings Group Co. Ltd. (incorporated by reference from Exhibit 2.1 of registrant's Annual Report on Form 20-F filed with the SEC on March 3, 2017, for the fiscal year ended December 31, 2016)</u>
4.1	<u>Amended and Restated Convertible Promissory Note, dated June 14, 2016 (incorporated by reference from Exhibit 4.14 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.2	<u>Letter Agreement, dated April 6, 2018 by and between FT Global Capital, Inc. and China Lending Corporation (incorporated by reference from Exhibit 4.18 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.3	<u>Form of Securities Purchase Agreement, dated July 6, 2018 (incorporated by reference from Exhibit 4.19 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.4	<u>English Translation of Capital Contribution Agreement by and among Roan, Lixin Financial Holdings Group, et al (incorporated by reference from Exhibit 4.21 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.5	<u>English Translation of Share Purchase Agreement dated June 13, 2019 among China Lending Corporation and Lixin Financial Holdings Group, et al. (incorporated by reference from Exhibit 4.22 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.6	<u>English Translation of Supplemental Agreement to Share Purchase Agreement dated August 23, 2019, among China Lending Corporation and Lixin Financial Holdings Group, et al (incorporated by reference from Exhibit 4.23 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.7	<u>Zhiyong Tang Employment Agreement, dated August 25, 2020, by and between Roan Holdings Group Co., Ltd. and Zhiyong Tang (incorporated by reference from Exhibit 10.1 of registrant's Form 6-K filed with the SEC on August 30, 2021).</u>
4.8	<u>Wenhao Wang Employment Agreement, dated August 25, 2020, by and between Roan Holdings Group Co., Ltd. and Wenhao Wang (incorporated by reference from Exhibit 10.2 of registrant's Form 6-K filed with the SEC on August 30, 2021).</u>
4.9	<u>Junfeng Wang Employment Agreement, dated August 10, 2020, by and between Roan Holdings Group Co., Ltd. and Junfeng Wang (incorporated by reference from Exhibit 10.1 of registrant's Form 6-K filed with the SEC on August 14, 2020).</u>
4.10*	<u>Yuebo Zhang Employment Agreement, dated August 25, 2021</u>
4.11*	<u>Fengsong Wan Employment Agreement, dated August 25, 2021</u>

Exhibit No.	Description
4.12*	<u>English Translation of Lease Agreement between Junrong Capital Holdings Limited and Lixin (Hangzhou) Asset Management Co., Ltd., dated April 1, 2022.</u>
4.13	<u>English Translation of Lease between Zhejiang Fengfan Electrical Accessories Co., Ltd. and Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd., dated April 7, 2020 (incorporated by reference from Exhibit 4.31 of registrant's Annual Report on Form 20-F filed with the SEC on May 17, 2021, for the fiscal year ended December 31, 2020).</u>
4.14*	<u>English Translation of Lease Agreement between Junrong Capital Holdings Limited and Zeshi (Hangzhou) Health Management Co., Ltd., dated April 1, 2022.</u>
4.15*	<u>English Translation of Lease Agreement between Bogong He and Lixin (Hangzhou) Asset Management Co., Ltd., dated July 10, 2021.</u>
4.16*	<u>English Translation of Lease Agreement between Poly Apartment Management Co., Ltd. and Lixin (Hangzhou) Asset Management Co., Ltd., dated on August 15, 2021.</u>
4.17*	<u>English Translation of Equity Transfer Agreement, by and between Roan HK and Yuanjia Asset Management Co. Ltd. dated September 17, 2021.</u>
8.1*	<u>List of Subsidiaries</u>
12.1*	<u>Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a)</u>
12.2*	<u>Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a)</u>
13.1*	<u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
13.2*	<u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
99.1*	<u>Press release dated April 22, 2022 titled "Roan Holdings Group Co., Ltd. Reports Full Year 2021 Financial Results"</u>
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith

SIGNATURES

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

ROAN HOLDINGS GROUP CO., LTD.

Date: April 22, 2022

By: /s/ Zhiyong Tang

Name: Zhiyong Tang

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities on the dates indicated. Each person whose signature appears below hereby authorizes Zhiyong Tang as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him or her and in his or her name, place and stead, in any and all capacities to sign any and all amendments to this report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission.

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/ Zhiyong Tang</u> Zhiyong Tang	Chief Executive Officer (Principal Executive Officer)	April 22, 2022
<u>/s/ Wenhao Wang</u> Wenhao Wang	Chief Financial Officer (Principal Financial Officer)	April 22, 2022
<u>/s/ Junfeng Wang</u> Junfeng Wang	Chairman	April 22, 2022
<u>/s/ Guiling Sun</u> Guiling Sun	Director	April 22, 2022
<u>/s/ Yiguo Xu</u> Yiguo Xu	Director	April 22, 2022
<u>/s/ Xiaoliang Liang</u> Xiaoliang Liang	Director	April 22, 2022
<u>/s/ John Chen</u> John Chen	Director	April 22, 2022

Employment Agreement

This Employment Agreement (this “Agreement”) is entered into in Hangzhou, Zhejiang, China on August 25, 2021 by and between:

Party A: Roan Holdings Group Co., Ltd. (“the Company”)

Address: 147 Ganshui Lane, Yuhuangshannan Fund Town, Shangcheng District,
Hangzhou, Zhejiang, China.

Legal Representative: Zhiyong Tang, Chief Executive Director

Party B: Yuebo Zhang

Address: Fulham house, 2/F, Tower3, The Balmoral, No.1 MaShing Path, Taipo, New Territories, Hong Kong

Chapter 1 General Provisions

1. Pursuant to the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other relevant provisions, the parties hereto have, after mutual discussions and consultations and careful consideration and adequate communications and understanding, reached the following terms and conditions:

Chapter 2 Term

2. This Agreement shall have an initial term commencing on August 25, 2021 and ending on August 24, 2022, and shall, subject to Chapter 10 below, automatically renew for successive one year periods.

Chapter 3 Scope of Work

3. According to Party A’s work requirements, Party B agrees to assume the position of Executive President (to carry out works relating to the listed company). With respect to Party B’s job duties, work assignments, responsibility goals, job disciplines, relevant management policies, etc., the rules formulated by Party A for that job and other relevant provisions shall apply.

Chapter 4 Party B's Obligations

4. Party B agrees that, in addition to the obligations and responsibilities set forth herein, he or she shall also:

4.1. Within the specified work hours, contribute his or her time, energy and skills exclusively in fulfilling the obligations established by Party A and effectively performing his or her duties, in order to exert best efforts to ensure the successful completion of Party A's assignments; and

4.2. Comply with the provisions of this Agreement, Party A's internal rules and policies and relevant laws and regulations, fulfill his or her duties to Party A, and not to engage in any activities that harm Party A's interests or to abuse his or her position or duties at Party A to directly or indirectly seek personal benefits.

Chapter 5 Primary Work Location, Work Hours, Labor Protection and Work Conditions

5. Party B shall principally work at the Party's A headquarters located in Hangzhou, Zhejiang, China and other cities. Party A shall be required to work Monday through Friday from 9:00 a.m. to 17:00 p.m. Party B's work hours shall be mainly for the purpose of meeting the needs of the listed company. CEO may change work hours for the needs of the listed company.

6. Party A shall provide Party B with proper work conditions and facilities and labor protection up to the local government's standards. Party B shall comply with Party A's labor safety policies.

7. Party A is responsible for arranging education and trainings to Party B with respect to professional skills, labor safety and hygiene policies and the Company's articles of association.

8. Party A shall reimburse Party B's business travel, entertainment and other expenses incurred for work purposes, for which Party B is obligated to completely provide supporting voucher documents.

Chapter 6 Compensation

9. Party B's compensation as follows.

9.1 Compensation. Employee shall receive the compensation USD 60,000 per year. The company will issue the compensation by cash or common stock.

9.2 Tax. Employee shall be responsible for his own taxes.

Chapter 7 Benefits and Holidays

10. Party B shall be entitled to the China public holidays and statutory holidays. Party B who is required to work on public holidays will be compensated by alternative day(s) off as substitution.

10.1. Annual Leave. Party B is entitled to the paid annual leave pursuant to Party A's vacation policy.

10.2. Sick Leave must be certified by a registered doctor.

10.3. Unauthorized Absences. Without prejudice to the other rights of Party A, Party A may deduct the equivalent amount of basic daily salary from Party B's salary for every day of absence from employment without the prior permission of Party A.

Chapter 8 Labor Disciplines

11. Party B shall comply with Party A's lawfully formulated labor disciplines and the Company's articles of association, strictly abide by Party A's instructions and decisions, safeguard all the assets of Party A and observe professional ethics.

12. If Party B violates any relevant laws, labor disciplines or the Company's articles of association which results in any economic losses to Party A, Party A may impose penalties on Party A pursuant to the relevant provisions.

13. In the event of any economic losses caused to Party A due to Party B's violation of relevant laws, labor disciplines or the Company's articles of association, Party A has the right to claim compensation from Party B for the losses.

14. Party A has the right to make reasonable modifications to the labor disciplines and the Company's articles of association according to its business needs, provided that Party A shall inform Party B in the forms regarded as proper by Party A, which forms include but not limited to notification, public announcement, e-mail and memorandum.

15. Party B shall not hold any concurrent position at any other enterprise or organization during the period of his employment with Party A, unless with the permission of Party A. All service inventions, creations, developments, designs, renovations, production results made by Party B during the period of his or her employment shall be owned by Party A, and all intellectual property rights obtained therefrom, including but not limited to patent rights, copyrights and non-patent technologies, shall be owned by Party A.

Chapter 9 Confidentiality Obligations

16. Party B shall keep confidential Party A's proprietary information and confidential information concerning Party A and its subsidiaries and affiliates and its and their respective businesses including without limitation, confidential information regarding suppliers, customers, products, and marketing and pricing data, as long as such information is not publicly disclosed, except as required either by law or by a court of competent jurisdiction, and shall comply with Party A's relevant confidentiality policies. Unless as required either by law or by a court of competent jurisdiction or subject to prior written consent from Party A, Party B shall not use, or disclose to any third party, any materials or information of Party A.

17. Non-compete. During the term of Party B's employment hereunder and for a term of two years following termination, Party B shall not initiate, directly or indirectly, on his own behalf or on behalf of any person, contact with any person who is or was a customer of Party A within the twelve (12) month period preceding the termination of Party B's employment hereunder, or who was a prospective customer of Party A with whom Party B had dealings with in the twelve (12) month period preceding the termination of Party B's employment, for the purpose of conducting any business which is the same as or which competes with any part of the business of Party A with which Party B was involved.

18. Party B agrees that Party A shall, according to any reasonable operational needs, whether direct or indirect, have the right to disclose Party B's personal information, including but not limited to his or her name, address, nationality, position, and salary, this Agreement and the renewals and changes thereof.

Chapter 10 Change and Termination of Agreement

19. If any laws and regulations applicable for this Agreement is amended, the corresponding portions hereof or annexes hereto shall be amended accordingly. In the event of any material change to, or any conflict with relevant Chinese laws and regulations by, any objective condition on which the entry into the Agreement was based, which makes the performance of the Agreement impossible, the parties may, after friendly consultation, change the relevant portions of the Agreement pursuant to the relevant laws and regulations.

20. In the occurrence of following circumstances, Party A has the right to unilaterally terminate this Agreement without a prior written notice, provided that Party A shall inform Party B of such termination decision, and the termination shall take effect immediately:

20.1. Party B materially violates the Company's labor disciplines or rules and policies (including but not limited to labor disciplines and the Company's articles of association);

20.2. Party B commits gross negligence or engages in malpractices for selfish ends, thereby causing material losses to Party A;

20.3. Party B establishes employment relationship concurrently with any other employer, thereby causing material impact on the completion of Party A's work assignments;

20.4. Party B uses such means as fraud, coercion or taking advantage of other's unfavorable position to cause the execution or change of the Agreement by Party A against its genuine will, thus leading to void the Agreement;

20.5. Party B is held criminally liable pursuant to the law.

21. During the term of this Agreement, Party A may terminate this Agreement at any time by giving Party B 30-day prior written notice.

22. During the term of the Agreement, Party B has the right to resign and terminate the Agreement, provided that he or she shall give a 30-day prior written notice to Party A.

23. Immediately upon termination of the Agreement, Party B shall cease its engagement in any activities in Party A's name or complete any business as Party A so requested, and shall settle all the accounts. Party B shall, within 3 days of the termination hereof, return all of Party A's assets that are in Party B's possession and deliver all the documents and files (including but not limited to any written documents and electronic documents). Party A will handle the departure formalities for Party B after Party A's confirmation and issue a departure consent letter. If Party B fails to complete the said transfer formalities, Party A may refuse to handle the departure formalities for Party B.

Chapter 11 Economic Compensation and Indemnification

24. If Party B terminates this Agreement in violation of any provisions hereof, he or she shall, pursuant to the provisions of laws and regulations, compensate for the losses caused to Party A due to such termination.

Chapter 12 Resolution of Labor Disputes

25. Any dispute arising from the interpretation and performance hereof shall be resolved through friendly consultation by the parties. If such friendly consultation fails, either or both of the parties may, within one year of the occurrence of the dispute, submit it for arbitration by a labor dispute arbitration committee having jurisdiction over the dispute. In case the parties have no disagreement as to the arbitral award rendered by such labor dispute arbitration commission, such arbitral award is final and binding upon the parties. In case the parties refuse to accept the arbitration award made by that labor dispute arbitration committee, they may file an action with a court of jurisdiction.

Chapter 13 Miscellaneous

26. The invalidity or non-enforceability of any provision shall not affect the validity of any other provisions hereof.

27. Either party's failure to perform, or delay in performance of, any of the rights hereunder shall not constitute a waiver of such right.

28. In the case of any discrepancy between this Agreement and any related laws and regulations, the provisions of such laws and regulations shall prevail.

29. This Agreement shall become effective upon signing and affixation of seals by both parties on the date first written above.

Party A: Roan Holdings Group Co., Ltd.

Party B: Yuebo Zhang

Zhiyong Tang

Chief Executive Officer

Employment Agreement

This Employment Agreement (this “Agreement”) is entered into in Hangzhou, Zhejiang, China on August 25 2021 by and between:

Party A: Roan Holdings Group Co., Ltd. (“the Company”)

Address: 147 Ganshui Lane, Yuhuangshannan Fund Town, Shangcheng District,
Hangzhou, Zhejiang, China.

Legal Representative: Zhiyong Tang, Chief Executive Director

Party B: Fengsong Wan

Address: Room 1181, Unit 1, No. 4 Building, Province, Hanwang Road, Yanjiao Country, Sanhe City, Hebei Province, China.

Chapter 1 General Provisions

1. Pursuant to the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other relevant provisions, the parties hereto have, after mutual discussions and consultations and careful consideration and adequate communications and understanding, reached the following terms and conditions:

Chapter 2 Term

2. This Agreement shall have an initial term commencing on August 25, 2021 and ending on August 24, 2022, and shall, subject to Chapter 10 below, automatically renew for successive one year periods.

Chapter 3 Scope of Work

3. According to Party A’s work requirements, Party B agrees to assume the position of Senior Vice President (to carry out works relating to the listed company). With respect to Party B’s job duties, work assignments, responsibility goals, job disciplines, relevant management policies, etc., the rules formulated by Party A for that job and other relevant provisions shall apply.

Chapter 4 Party B's Obligations

4. Party B agrees that, in addition to the obligations and responsibilities set forth herein, he or she shall also:

4.1. Within the specified work hours, contribute his or her time, energy and skills exclusively in fulfilling the obligations established by Party A and effectively performing his or her duties, in order to exert best efforts to ensure the successful completion of Party A's assignments; and

4.2. Comply with the provisions of this Agreement, Party A's internal rules and policies and relevant laws and regulations, fulfill his or her duties to Party A, and not to engage in any activities that harm Party A's interests or to abuse his or her position or duties at Party A to directly or indirectly seek personal benefits.

Chapter 5 Primary Work Location, Work Hours, Labor Protection and Work Conditions

5. Party B shall principally work at the Party's A headquarters located in Hangzhou, Zhejiang, China and other cities. Party A shall be required to work Monday through Friday from 9:00 a.m. to 17:00 p.m. Party B's work hours shall be mainly for the purpose of meeting the needs of the listed company. CEO may change work hours for the needs of the listed company.

6. Party A shall provide Party B with proper work conditions and facilities and labor protection up to the local government's standards. Party B shall comply with Party A's labor safety policies.

7. Party A is responsible for arranging education and trainings to Party B with respect to professional skills, labor safety and hygiene policies and the Company's articles of association.

8. Party A shall reimburse Party B's business travel, entertainment and other expenses incurred for work purposes, for which Party B is obligated to completely provide supporting voucher documents.

Chapter 6 Compensation

9. Party B's compensation as follows.

9.1 Compensation. Employee shall receive the compensation USD 40,000 per year. The company will issue the compensation by cash or common stock.

9.2 Tax. Employee shall be responsible for his own taxes.

Chapter 7 Benefits and Holidays

10. Party B shall be entitled to the China public holidays and statutory holidays. Party B who is required to work on public holidays will be compensated by alternative day(s) off as substitution.

10.1. Annual Leave. Party B is entitled to the paid annual leave pursuant to Party A's vacation policy.

10.2. Sick Leave must be certified by a registered doctor.

10.3. Unauthorized Absences. Without prejudice to the other rights of Party A, Party A may deduct the equivalent amount of basic daily salary from Party B's salary for every day of absence from employment without the prior permission of Party A.

Chapter 8 Labor Disciplines

11. Party B shall comply with Party A's lawfully formulated labor disciplines and the Company's articles of association, strictly abide by Party A's instructions and decisions, safeguard all the assets of Party A and observe professional ethics.

12. If Party B violates any relevant laws, labor disciplines or the Company's articles of association which results in any economic losses to Party A, Party A may impose penalties on Party A pursuant to the relevant provisions.

13. In the event of any economic losses caused to Party A due to Party B's violation of relevant laws, labor disciplines or the Company's articles of association, Party A has the right to claim compensation from Party B for the losses.

14. Party A has the right to make reasonable modifications to the labor disciplines and the Company's articles of association according to its business needs, provided that Party A shall inform Party B in the forms regarded as proper by Party A, which forms include but not limited to notification, public announcement, e-mail and memorandum.

15. Party B shall not hold any concurrent position at any other enterprise or organization during the period of his employment with Party A, unless with the permission of Party A. All service inventions, creations, developments, designs, renovations, production results made by Party B during the period of his or her employment shall be owned by Party A, and all intellectual property rights obtained therefrom, including but not limited to patent rights, copyrights and non-patent technologies, shall be owned by Party A.

Chapter 9 Confidentiality Obligations

16. Party B shall keep confidential Party A's proprietary information and confidential information concerning Party A and its subsidiaries and affiliates and its and their respective businesses including without limitation, confidential information regarding suppliers, customers, products, and marketing and pricing data, as long as such information is not publicly disclosed, except as required either by law or by a court of competent jurisdiction, and shall comply with Party A's relevant confidentiality policies. Unless as required either by law or by a court of competent jurisdiction or subject to prior written consent from Party A, Party B shall not use, or disclose to any third party, any materials or information of Party A.

17. Non-compete. During the term of Party B's employment hereunder and for a term of two years following termination, Party B shall not initiate, directly or indirectly, on his own behalf or on behalf of any person, contact with any person who is or was a customer of Party A within the twelve (12) month period preceding the termination of Party B's employment hereunder, or who was a prospective customer of Party A with whom Party B had dealings with in the twelve (12) month period preceding the termination of Party B's employment, for the purpose of conducting any business which is the same as or which competes with any part of the business of Party A with which Party B was involved.

18. Party B agrees that Party A shall, according to any reasonable operational needs, whether direct or indirect, have the right to disclose Party B's personal information, including but not limited to his or her name, address, nationality, position, and salary, this Agreement and the renewals and changes thereof.

Chapter 10 Change and Termination of Agreement

19. If any laws and regulations applicable for this Agreement is amended, the corresponding portions hereof or annexes hereto shall be amended accordingly. In the event of any material change to, or any conflict with relevant Chinese laws and regulations by, any objective condition on which the entry into the Agreement was based, which makes the performance of the Agreement impossible, the parties may, after friendly consultation, change the relevant portions of the Agreement pursuant to the relevant laws and regulations.

20. In the occurrence of following circumstances, Party A has the right to unilaterally terminate this Agreement without a prior written notice, provided that Party A shall inform Party B of such termination decision, and the termination shall take effect immediately:

20.1. Party B materially violates the Company's labor disciplines or rules and policies (including but not limited to labor disciplines and the Company's articles of association);

20.2. Party B commits gross negligence or engages in malpractices for selfish ends, thereby causing material losses to Party A;

20.3. Party B establishes employment relationship concurrently with any other employer, thereby causing material impact on the completion of Party A's work assignments;

20.4. Party B uses such means as fraud, coercion or taking advantage of other's unfavorable position to cause the execution or change of the Agreement by Party A against its genuine will, thus leading to void the Agreement;

20.5. Party B is held criminally liable pursuant to the law.

21. During the term of this Agreement, Party A may terminate this Agreement at any time by giving Party B 30-day prior written notice.

22. During the term of the Agreement, Party B has the right to resign and terminate the Agreement, provided that he or she shall give a 30-day prior written notice to Party A.

23. Immediately upon termination of the Agreement, Party B shall cease its engagement in any activities in Party A's name or complete any business as Party A so requested, and shall settle all the accounts. Party B shall, within 3 days of the termination hereof, return all of Party A's assets that are in Party B's possession and deliver all the documents and files (including but not limited to any written documents and electronic documents). Party A will handle the departure formalities for Party B after Party A's confirmation and issue a departure consent letter. If Party B fails to complete the said transfer formalities, Party A may refuse to handle the departure formalities for Party B.

Chapter 11 Economic Compensation and Indemnification

24. If Party B terminates this Agreement in violation of any provisions hereof, he or she shall, pursuant to the provisions of laws and regulations, compensate for the losses caused to Party A due to such termination.

Chapter 12 Resolution of Labor Disputes

25. Any dispute arising from the interpretation and performance hereof shall be resolved through friendly consultation by the parties. If such friendly consultation fails, either or both of the parties may, within one year of the occurrence of the dispute, submit it for arbitration by a labor dispute arbitration committee having jurisdiction over the dispute. In case the parties have no disagreement as to the arbitral award rendered by such labor dispute arbitration commission, such arbitral award is final and binding upon the parties. In case the parties refuse to accept the arbitration award made by that labor dispute arbitration committee, they may file an action with a court of jurisdiction.

Chapter 13 Miscellaneous

26. The invalidity or non-enforceability of any provision shall not affect the validity of any other provisions hereof.
27. Either party's failure to perform, or delay in performance of, any of the rights hereunder shall not constitute a waiver of such right.
28. In the case of any discrepancy between this Agreement and any related laws and regulations, the provisions of such laws and regulations shall prevail.
29. This Agreement shall become effective upon signing and affixation of seals by both parties on the date first written above.

Party A: Roan Holdings Group Co., Ltd. Party B: Fengsong Wan

Party A: Roan Holdings Group Co., Ltd.

Party B: Fengsong Wan

Zhiyong Tang

Chief Executive Officer

Lease Agreement

Lessor (Party A): **Junrong Capital Holdings Limited**
Unified Social Credit Code: 91330102352448503P

Lessee (Party B): **Lixin (Hangzhou) Asset Management Co., Ltd.**
Unified Social Credit Code: 91330102MA28N4R655

In accordance with the *Agreement Law of the People's Republic of China* and other laws and regulations, party A and Party B hereby enter into the Agreement ("Agreement") on the leasing of the House located at 147 Ganshui Lane, Shangcheng District, Hangzhou city ("House") through full consultation on the principle of fairness, mutual benefit and reciprocity.

Article 1 Situation of the House

1.1 The House is located on the first floor of No. 147 Ganshui lane, Shangcheng District, Hangzhou, with a construction area of 237.7 square meters on the first floor and 42.45 square meters on the courtyard; the construction area of the president's office on the second floor is 22.5 square meters, and the construction area of the conference room is 27.95 square meter.

1.2 Party B has fully understood the property right, nature, purpose, current situation and neighboring relationship of the House and has conducted field investigation. Party B is willing to lease the House and perform all obligations as agreed in the Agreement.

Article 2 Use of the House

2.1 Party B leases the above houses for office use only.

2.2 During the lease period, Party B needs to obtain Party A's consent to change the contents of the industry.

2.3 Party B must engage in legal business activities and shall not violate laws, rules and regulations, and shall not conduct any act that may adversely affect the reputation of Party A and the park

Article 3 Lease period

3.1 The Agreement lease period is from April 01, 2022 to March 31, 2023.

3.2 Upon expiration of the lease term, Party B shall have the priority to renew the lease under the same conditions.

Article 4 House rental, security deposit and payment method

4.1 House rental

4.1.1 The rental is RMB 215,265.04 from April 01, 2022 to August 17, 2022. The unit price of the construction area is RMB 5.01 / day / square meter, and the unit price of the courtyard area is RMB 2.50 / day / square meter.

4.1.2 From August 18, 2022, the rental unit price (building area and courtyard area) will increase by 3% on the basis of the previous rental until the end of the Agreement. From August 18, 2022 to March 31, 2023, the rental is RMB 360,499.26. The unit price of the building area is RMB 5.16 / day / square meter, and the unit price of the courtyard area is 2.58 / day / square meter.

4.1.3 During the lease period, Party B shall pay the rental within ten days after the Agreement becomes effective. Party B shall pay Party A in a lump sum within ten days after the Agreement is signed and comes into effect.

4.1.4 If Party B fails to pay the Agreement deposit as agreed, Party A has the right to cancel the Agreement unilaterally and claim Party B's liability for breach of Agreement.

4.1.5 Party B shall bear various operating expenses on its own including but not limited water, electric power, telecom, Internet and property management.

4.1.6 Party B shall obey and cooperate with the management of Party A, the property management company and fund Town Management Committee.

4.1.7 From April 1, 2022, the water, electricity, property and other expenses of the house shall be borne by Party B, subject to the actual payment notice time of the fee collector.

4.2 Payment method

4.2.1 Party B shall remit the rental to the bank account appointed by Part A or deliver the check to the address appointed by Part A.

Article 5 Requirements and maintenance responsibilities of the House

5.1 The house and auxiliary equipment are leased by Party B. Party B shall be responsible for daily maintenance and repair, and Party B shall bear the cost.

5.2 If Party B needs to add equipment and expand electricity, it shall obtain the consent of Party A, and the cost shall be borne by Party B. For all facilities and equipment replaced or added by Party B, Party B shall be responsible for the inspection, repair, maintenance and other work and bear the expenses. If Party B entrusts Party A or the property management company to repair and maintain, Party B shall bear the relevant expenses. Party A only provides single-circuit power supply.

5.3 During the lease term, Party B shall be responsible for the repair of any damage to or failure of the House and its ancillary facilities and equipment due to Party B's improper use or man-made causes, and shall bear the repair costs.

5.4 Party B shall be solely responsible for the interior decoration of the House, and shall not damage the facade and main structure of the Premises during decoration, and shall not privately set up a kitchen. The decoration scheme shall be approved by Party A and submitted for approval and construction according to regulations. If Party B needs to reconstruct the house or add equipment, it shall obtain the written consent of the relevant department, and all the expenses shall be borne by Party B. Party B shall use central air conditioning for decoration and place it at the location designated by Party A. If Party B fails to use and place the air conditioner as required, it shall be removed unconditionally, and Party A has the right to investigate Party B's liability for breach of Agreement.

5.5 Party B shall not erect any temporary building outside the Premises without permission. In case of any damage to public facilities, greening, roads and other public resources due to improper use or Party B's reasons, Party B shall be responsible for repairing the damage free of charge. In case of any serious circumstances, Party A shall have the right to unilaterally terminate the Agreement, take back the Premises free of charge and claim Party B's liability.

5.6 Party A has the right to temporarily stop using any facilities due to the needs of maintenance and inspection, but Party B shall be notified in writing in advance, and Party B shall cooperate.

5.7 During the lease period, Party B shall do a good job in fire safety and other tasks in accordance with the regulations of the relevant departments.

Article 6 Sublet and renewal

6.1 During the lease term, Party B shall not sublease, lend or sublease the House without authorization (any joint venture, partnership, partnership or cooperation without the written approval of Party A shall be deemed as sublease). Once found, Party A has the right to unilaterally terminate the Agreement, take back the house without compensation, confiscate the lease deposit and claim Party B's liability for breach of Agreement.

6.2 Upon expiration of the lease term, Party A shall have the right to take back the House unconditionally, and Party B shall return the House to Party A as scheduled. If Party B needs to continue to lease the Premises, it shall submit a written request for renewal to Party A before the expiration of the lease term. With the consent of Party A, both parties may sign a new lease Agreement. The rent and other expenses during the renewal period shall be negotiated by both parties.

6.3 If Party B does not make a request for renewal, it shall be deemed that Party B has given up the lease. If Party B fails to submit a written request for renewal to Party A within the above time limit, it shall be deemed that Party B waives the renewal of the lease, and the Agreement shall be automatically terminated upon expiration of the lease term. Party A shall have the right to cooperate with any future tenant of the Premises or relevant individuals to survey the Premises after notifying Party B in advance within all reasonable time before the end of the lease term, and Party B shall not obstruct such survey, provided that such behavior of Party A shall not interfere with the normal office activities of Party B.

Article 7 Return of the House

7.1 Return date and scope of use

7.1.1 Party B should return the house before the end of the lease period

7.1.2 Except for the expiration of the lease term and normal termination, if Party A or Party B unilaterally terminates the Agreement, Party B shall return the leased house within 10 days from the date of early termination or termination of the Agreement.

7.2 Return status and attribution of decoration and ancillary facilities and equipment.

7.2.1 After the Agreement expires, Party B can take away the additional equipment. The non-removable equipment belongs to Party A free of charge.

7.2.2 Party B shall bear all costs that cannot be restored.

7.3 Consequences of late return

7.3.1 If the house is not returned within 10 days after the due date, Party A has the right to take measures to recover the house.

7.3.2 If Party B returns the leased house after the due date, in addition to paying the rent according to the Agreement standard, Party B shall also pay the occupation fee at twice the basic rent.

Article 8 Modification, cancellation and termination of Agreements

8.1 During the lease period, if the terms of the Agreement need to be changed, both parties shall negotiate and sign in writing.

8.2 The Agreement cannot be performed due to force majeure, and both parties are not liable for breach of Agreement.

8.3 If the Agreement is terminated early due to national policy, both parties shall not be liable for breach of Agreement.

Article 9 Liability for breach of Agreement

The breaching party pays a penalty of 30% of the rent.

Article 10 Application of law

If the negotiation fails, the people's court where the house is located shall sue.

Article 11 Others

11.1 Documents mailed to the Agreement address by Party A shall be deemed to be served within three days from the date of mailing.

11.2 The unfinished matters will be negotiated separately by both parties.

11.3 The Agreement becomes effective after being sealed. Two copies of the same Agreement and each part holds one copy.

(signing pages follows)

Party A: Junrong Capital Holdings Limited

Party B: Lixin (Hangzhou) Asset Management Co., Ltd.

Legal representative:

Legal representative:

Date:

Date:

Lease Agreement

Lessor (Party A): **Junrong Capital Holdings Limited**

Unified Social Credit Code: 91330102352448503P

Lessee (Party B): **Zeshi (Hangzhou) Health Management Co., Ltd.**

Unified Social Credit Code: 91330102MA2H2FJF16

In accordance with the *Agreement Law of the People's Republic of China* and other laws and regulations, Party A and Party B hereby enter into the Agreement ("Agreement") on the leasing of the House located at 147 Ganshui Lane, Shangcheng District, Hangzhou city ("House") through full consultation on the principle of fairness, mutual benefit and reciprocity.

Article 1 Situation of the House

1.1 The rental house is located on the second floor of No. 147 Ganshui Lane, Shangcheng District, Hangzhou, with a construction area of 112.34 square meters and 36.44 square meters on the courtyard.

1.2 Party B has fully understood the property right, nature, purpose, current situation and neighboring relationship of the House and has conducted field investigation. Party B is willing to lease the House and perform all obligations as agreed in the Agreement.

Article 2 Use of the House

2.1 Party B leases the above houses for office use only.

2.2 During the lease period, Party B needs to obtain Party A's consent to change the contents of the industry.

2.3 Party B must engage in legal business activities and shall not violate laws, rules and regulations, and shall not conduct any act that may adversely affect the reputation of Party A and the park.

Article 3 Lease term

3.1 The Agreement lease period is from April 1, 2022 to March 31, 2023.

3.2 Upon expiration of the lease term, Party B shall have the priority to renew the lease under the same conditions.

Article 4 House rental, payment method

4.1 House rental

4.1.1 The rental is RMB 90,844.46 yuan from April 01, 2022 to August 17, 2022. The unit price of the construction area is RMB 5.01 yuan / day / square meter, and the unit price of the courtyard area is 2.5 yuan / day / square meter. Before the house rent is paid, Party A and Party B shall confirm the rental amount.

4.1.2 From August 18, 2022, the rental unit price will increase by 3% on the basis of the previous rental until the end of the Agreement. From August 18, 2022 to March 31, 2023, the rental is RMB 152,135.06 yuan. Before the house rent is paid, Party A and Party B shall confirm the rental amount.

4.1.3 During the lease period, Party B shall pay the rental within ten days after the Agreement becomes effective.

4.1.4 If Party B fails to pay the Agreement deposit as agreed, Party A has the right to cancel the Agreement unilaterally and claim Party B's liability for breach of Agreement.

4.2 Payment method

4.2.11 Party B shall remit the rental to the bank account appointed by Part A or deliver the check to the address appointed by Part A.

Article 5 Requirements and maintenance responsibilities of the House

5.1 The house and auxiliary equipment are leased by Party B. Party B shall be responsible for daily maintenance and repair, and Party B shall bear the cost.

5.2 If Party B needs to add equipment and expand electricity, it shall obtain the consent of Party A, and the cost shall be borne by Party B. For all facilities and equipment replaced or added by Party B, Party B shall be responsible for the inspection, repair, maintenance and other work and bear the expenses. If Party B entrusts Party A or the property management company to repair and maintain, Party B shall bear the relevant expenses. Party A only provides single-circuit power supply.

5.3 During the lease term, Party B shall be responsible for the repair of any damage to or failure of the House and its ancillary facilities and equipment due to Party B's improper use or man-made causes, and shall bear the repair costs.

5.4 Party B shall be solely responsible for the interior decoration of the House, and shall not damage the facade and main structure of the Premises during decoration, and shall not privately set up a kitchen. The decoration scheme shall be approved by Party A and submitted for approval and construction according to regulations. If Party B needs to reconstruct the house or add equipment, it shall obtain the written consent of the relevant department, and all the expenses shall be borne by Party B. Party B shall use central air conditioning for decoration and place it at the location designated by Party A. If Party B fails to use and place the air conditioner as required, it shall be removed unconditionally, and Party A has the right to investigate Party B's liability for breach of Agreement.

5.5 Party B shall not erect any temporary building outside the Premises without permission. In case of any damage to public facilities, greening, roads and other public resources due to improper use or Party B's reasons, Party B shall be responsible for repairing the damage free of charge. In case of any serious circumstances, Party A shall have the right to unilaterally terminate the Agreement, take back the Premises free of charge and claim Party B's liability.

5.6 Party A has the right to temporarily stop using any facilities due to the needs of maintenance and inspection, but Party B shall be notified in writing in advance, and Party B shall cooperate.

5.7 During the lease period, Party B shall do a good job in fire safety and other tasks in accordance with the regulations of the relevant departments.

Article 6 Sublet and renewal

6.1 During the lease term, Party B shall not sublease, lend or sublease the House without authorization (any joint venture, partnership, partnership or cooperation without the written approval of Party A shall be deemed as sublease). Once found, Party A has the right to unilaterally terminate the Agreement, take back the house without compensation, confiscate the lease deposit and claim Party B's liability for breach of Agreement.

6.2 Upon expiration of the lease term, Party A shall have the right to take back the House unconditionally, and Party B shall return the House to Party A as scheduled. If Party B needs to continue to lease the Premises, it shall submit a written request for renewal to Party A before the expiration of the lease term. With the consent of Party A, both parties may sign a new lease Agreement. The rent and other expenses during the renewal period shall be negotiated by both parties.

6.3 If Party B does not make a request for renewal, it shall be deemed that Party B has given up the lease. If Party B fails to submit a written request for renewal to Party A within the above time limit, it shall be deemed that Party B waives the renewal of the lease, and the Agreement shall be automatically terminated upon expiration of the lease term. Party A shall have the right to cooperate with any future tenant of the Premises or relevant individuals to survey the Premises after notifying Party B in advance within all reasonable time before the end of the lease term, and Party B shall not obstruct such survey, provided that such behavior of Party A shall not interfere with the normal office activities of Party B.

Article 7 Return of the House

7.1 Return date and scope of use

7.1.1 Party B should return the house before the end of the lease period

7.1.2 Except for the expiration of the lease term and normal termination, if Party A or Party B unilaterally terminates the Agreement, Party B shall return the leased house within 10 days from the date of early termination or termination of the Agreement.

7.2 Return status and attribution of decoration and ancillary facilities and equipment.

7.2.1 After the Agreement expires, Party B can take away the additional equipment. The non-removable equipment belongs to Party A free of charge.

7.2.2 Party B shall bear all costs that cannot be restored.

7.3 Consequences of late return

7.3.1 If the house is not returned within 10 days after the due date, Party A has the right to take measures to recover the house.

7.3.2 If Party B returns the leased house after the due date, in addition to paying the rent according to the Agreement standard, Party B shall also pay the occupation fee at twice the basic rent.

Article 8 Modification, cancellation and termination of Agreements

8.1 During the lease period, if the terms of the Agreement need to be changed, both parties shall negotiate and sign in writing.

8.2 The Agreement cannot be performed due to force majeure, and both parties are not liable for breach of contract.

8.3 If the Agreement is terminated early due to national policy, both parties shall not be liable for breach of contract.

Article 9 Liability for breach of contract

The breaching party pays a penalty of 30% of the rent.

Article 10 Application of law

If the negotiation fails, the people's court where the house is located shall sue.

Article 11 Others

11.1 Documents mailed to the contract address by Party A shall be deemed to be served within three days from the date of mailing.

11.2 The unfinished matters will be negotiated separately by both parties.

11.3 The contract becomes effective after being sealed. Two copies of the same contract, each part holding one copy.

(Signing pages follows)

Party A: Junrong Capital Holdings Limited

Legal representative:

Date:

Party B: Zeshi (Hangzhou) Health Management Co., Ltd.

Legal representative:

Date:

House Rental Agreement

Agreement No:

Both parties to the Agreement

Lessor (Party A): Bogong He

Lessee (Party B): Lixin (Hangzhou) Asset Management Co., Ltd.

In accordance with the relevant laws and regulations of the state and the relevant provisions of the city, Party A and Party B consult and conclude a Agreement on the basis of voluntariness, equality and mutual benefit.

1. Party A shall lease to Party B its legally owned house located in Room 802, Unit 1, Building 5, Puyuewan, Binjiang District, with a building area of 88.59 square meters. Before signing of this Agreement, Party A has shown Party B the house ownership certificate or the purchase Agreement and purchase invoice of the house and obtained Party B's approval. Party B has fully understood the house party a wants to rent and is willing to rent the house.

2. Party B guarantees to lease the house for residential use only. During the lease term, Party B shall not change the use of the house without the prior written consent of Party A.

3. The lease term of the house is from July 15, 2021 to July 14, 2022. Upon the expiration of the lease term, Party A shall have the right to take back the leased house, and Party B shall return it as scheduled. If Party B requests to renew the lease, it must submit a written intention to party a one month before the expiration of the lease term. The lease Agreement shall be renewed with the consent of Party A.

4. The monthly rent of the house is (in figures) RMB6, 000. The total rent is RMB 72,000.

5. Part B will pay the deposit which amount is equal to the rent of one month and will pay the rent every three months to appointed bank account as:

Account Name: Li Xinghang,

Bank Name: Caihong branch of Industrial and Commercial Bank of China,

Account Number: 6212261202018311457.

6. Party B shall pay for the water, electricity, gas, telephone, cable, property fee, etc. used by Party B during the lease term.

7. Party A shall collect a deposit of RMB 6,000. Party A shall return the deposit in full after the lease term is expired.

8. The items leased by Party B include: 1 set of sofa, 1 dining table, 4 dining chairs, 1 TV set, 1 TV cabinet, 2 big beds, 1 small bed, 2 mattresses, 2 wardrobes, 1 tea table, 1 set of central air conditioner, 1 washing machine, 1 refrigerator and 1 range hood.

9. During the lease term, Party A shall ensure the safe use of the leased house. Party B shall take good care of the facilities reasonably. If the facilities are damaged, it should be repaired immediately or compensated economically.

10. If Party B needs to decorate or change the original facilities, it shall obtain the consent of Party A.

11. Party A shall notify Party B 1 days in advance for the maintenance of housing or facilities, and Party B shall actively assist and cooperate.

12. Party A shall be responsible for the maintenance of the house except as stipulated in the Agreement.

13. If the house is damaged or Party B loses due to force majeure, both parties shall not be liable to each other.

14. During the lease term, if Party A needs to transfer or mortgage the house, it shall notify Party B one month in advance. Under the same circumstances, Party B has the priority to transfer.

15. During the lease term, if Party B has the following behaviors, Party A has the right to terminate the agreement. Party B shall compensate Party A's loss.

(1) Change the house structure or damage the house without the written consent of Party A, and after Party A's written notice, it has not been repaired within a limited time.

16. Party A shall deliver the leased house to Party B within 3 days after the signing of this Agreement. If Party A fails to deliver the house within the time limit, Party A shall pay double penalty to Party B.

17. During the lease term, if Party A takes back the house ahead of time without proper reasons, Party A shall pay liquidated damages at one time of the monthly rent. If Party B withdraws the lease without the consent of Party A, it shall pay liquidated damages at one time of the monthly rent.

18. After the expiration of the lease term, Party B shall return the house as scheduled.
19. After the signing of the agreement, both parties shall, in accordance with the provisions, obtain the “house rental certificate”, “public security permit” and “temporary residence permit” from the Hangzhou housing administration and the local police station.
20. If the Agreement is modification or terminated, the party requesting the modification or termination shall take the initiative to propose. If one party suffers losses due to the modification or termination of the Agreement, the other party shall bear the losses.
21. For matters not covered in this Agreement, supplementary terms can be concluded through negotiation between both parties. The supplementary terms shall have the same effect as this Agreement.
22. At the time of signing the Agreement, both parties have full capacity for civil conduct and are willing to perform in accordance with the provisions of the Agreement.
23. In the process of performing the Agreement, any dispute shall be settled through negotiation. If the negotiation fails, both parties shall bring a suit to the local people’s court.
24. This Agreement is made in duplicate, one for each party.
25. Other matters agreed by both parties: the price includes property fee, the rent tax shall be borne by Party B.
26. The owner undertakes to record the Agreement, and shall bear the consequences if he fails to do so.

(Signing page as follow)

Lessor (Party A): Bogong He
ID No.: 330106193508191113
Telephone: 13305712028
Agent: Xinghang Li
Signature and seal:
Date: July 10, 2021

Lessee (Party B): Lixin (Hangzhou) Asset Management Co., Ltd.
ID No.:
Telephone:
Agent:
Signature and seal:
Date:



Contract number:

**Service Contract for Apartment Accommodation
(For enterprise customers)**

Party A: Hangzhou Shangcheng District Branch of Poly Apartment Management Co., Ltd.

Date:

Party B: Lixin (Hangzhou) Asset Management Co., Ltd.

Date:

Apartment Provider (hereinafter referred to as Party A): Hangzhou Shangcheng District Branch of Poly Apartment Management Co., Ltd.

Apartment User (hereinafter referred to as Party B): Lixin (Hangzhou) Asset Management Co., Ltd.

Based on the principle of friendly cooperation and mutual benefit, Party A and Party B have reached an Contract on the provision of apartments to Party B through friendly consultation, and signed the following terms and conditions in accordance with the Civil Code of the People's Republic of China and relevant laws and regulations:

Article 1 Facilities and Usage of the Apartment

1. Party A will provide Party B with Hangzhou Poly NPUB Qianjiang New City United Community Apartment (hereinafter referred to as "Apartment") located at Building 11 at the intersection of Tonggu Road and Wenchao Road, Hangzhou, Zhejiang Province. Party B shall use the above apartment as the accommodation of Party B's personnel (i.e. Party B's employees, customers and guests designated by Party B to live in Party A's apartment in accordance with this Contract).

2. The apartment is a fully decorated room

3. Both parties shall separately sign the Check-in Order for the specific room type and corresponding fees of the apartment and both parties shall settle and pay the corresponding fees according to the Check-in Order.

4. Party B shall be jointly and severally liable for the breach of contract of its resident staff, including but not limited to the fees payable but unpaid by the staff, the performance bond and the liability for breach of contract in accordance with the Contract and Annex 2 House Handover Sheet.

Article 2 Use Purpose

1. Party B promises to Party A that the house will be used as a residence.

2. Party B promises to Party A that the number of residents shall not exceed the number of beds, and a copy of Party B's business license and a roster of residents shall be attached to the contract. Based on the restrictions on the facilities and equipment of the house and the allocation of articles, Party B shall not use more than [2] persons for each room in accordance with the provisions of Party A, and shall not change the room at will without the consent of Party A, and shall not adjust the occupancy personnel at will without reporting to Party A 3 days in advance. If it is necessary to increase the number of people for temporary occupancy due to special reasons, an application must be submitted to Party A in advance, and only after the approval of Party A can the people be admitted. If Party B adjusts the accommodation room of the staff or increases the number of staff without the consent of Party A, Party A shall have the right to notify the relevant staff of Party B to move out of the apartment and require Party B to pay the accommodation service fee as required by Party A. If Party B fails to move out for more than three days, in addition to paying the accommodation service fee and penalty, Party A shall have the right to terminate this contract immediately and take back the apartment.

3. Party B shall use the apartment according to the purpose agreed in this Contract, and shall not sublease, transfer or lend it to others (once found, Party A has the right to impose corresponding penalties or terminate the contract according to the actual situation, and the performance bond shall not be returned), shall not use the apartment for illegal activities, and shall use the apartment legally according to this Contract. Party B shall not change the building structure of the apartment and the property where the apartment is located, shall not separate, decorate and/or partially reconstruct the apartment in use, shall not install equipment, pipelines and other facilities, and shall not damage the goods in the apartment in use; otherwise, Party B shall bear all the economic and legal responsibilities arising therefrom. Without the permission of Party A, Party B shall not occupy the part outside the scope of the apartment used by Party A for any reason; without the consent of Party A, Party B shall not change the use of the apartment used by Party A; in case of any of the above breaches, Party A has the right to terminate this Contract.

4. During the period of accommodation, if Party A proposes to terminate or change the Contract, it shall notify Party B in writing one month in advance, and the contract can be terminated or changed only after both parties reach a consensus through consultation.

5. Upon the expiration of the term of use, Party A shall have the right to take back the house, and Party B shall return the used apartment to its original state as scheduled (except for normal wear and tear). If both parties renew the contract, they shall submit a written application at least 2 months prior to the expiration of the accommodation period and obtain the written consent of Party A, otherwise the contract shall be terminated upon expiration; if Party A does not agree in writing or Party B does not confirm the renewal of the contract 2 months prior to the expiration of the use period, it shall be deemed that Party B voluntarily waives the priority of use under the same conditions.

6. If Party B fails to propose to continue the cooperation 2 months before the expiration of the accommodation period, Party A shall have the right to find a new intended customer for the apartment within the last 2 months of the accommodation period and make necessary preparations. The preparation work includes but is not limited to leading potential customers to see the house, carrying out reasonable and necessary inspection and maintenance of the apartment, publishing advertisements for the service business of the apartment, etc. Party B promises to give active cooperation and keep the apartment clean and tidy.

Note: If the actual occupancy period of Party B exceeds the term of this Contract due to renewal negotiation or other reasons and both parties fail to sign a new renewal contract before the expiration of the term of this Contract, both parties agree that: before signing a new Apartment Accommodation Service Contract for the renewal period, it shall be deemed that the validity period of this Contract is automatically extended on a monthly basis; At this time, unless otherwise agreed by Party A in writing, Party B shall be charged 10% of the accommodation service fee of the last month before the expiration of this contract for the apartment accommodation service fee during the automatic extension period. Party B shall pay the accommodation service fee during the period of automatic extension but not signing the contract within 10 working days after receiving the payment notice from Party A.

However, if both parties fail to sign a new renewal contract after 2 months of the apartment accommodation period under the Contract, or Party B fails to pay the accommodation service fee for the automatic extension period, Party A shall have the right to dismiss Party B's personnel at any time and require Party B to bear the liability for breach of contract equivalent to one month's apartment accommodation service fee.

7. Party A shall ensure that the building structure, equipment and facilities of the accommodation house meet the safety conditions of construction, fire control, public security, sanitation and other aspects, and shall not endanger personal safety; Party B shall abide by the national laws and regulations, city-level management regulations and the property management regulations of the house during the period of accommodation in the house. Party B is strictly prohibited from placing inflammable, explosive, highly toxic and other dangerous and prohibited articles in the Premise, or holding all kinds of articles prohibited by laws and regulations.

8. During the period of accommodation, Party A shall be responsible for the maintenance and repair of the house and its ancillary articles, equipment and facilities due to natural aging (excluding the goods, equipment and facilities brought by Party B). Party A shall have the right to set the maintenance plan according to the actual situation of the house and its ancillary goods, equipment and facilities, and the specific plan shall be subject to the house maintenance/appraisal plan standard jointly issued by Party A and the actual maintenance provider; Party B shall undertake the maintenance and repair of the house and its ancillary goods, equipment and facilities due to improper use or man-made. If the maintenance and repair items are not within the above scope, they shall be settled by both parties through negotiation according to the principle of “who causes who bears”.

9. During the period of accommodation, Party A and Party B shall jointly ensure that the accommodation house and its ancillary goods, equipment and facilities are in a suitable and safe state. Party B shall maintain the normal use of the existing equipment and facilities in the house, and shall obtain the prior written consent of Party A in case of any adjustment. In case of any damage, failure or loss of the house and attached goods, equipment and facilities (including the equipment and facilities in the public area) due to Party B's improper custody or unreasonable use, Party B shall be responsible for the maintenance, bear the maintenance costs or bear the corresponding liability for compensation (the responsibility for the maintenance of public facilities that cannot be defined within the scope of maintenance shall be shared by all occupants of public facilities). Party A shall have the right to deduct the aforesaid relevant expenses from the performance bond, and Party B shall be liable for compensation for the insufficient part.

Article 3 Apartment Management Requirements

1. Party B shall fully inform Party B's personnel of the expenses to be borne by Party B's personnel and the payment requirements of the relevant expenses, the “Notice for Occupation” to be observed by Party B, Party A's apartment management system and other important information and contents related to the occupancy of Party A's personnel before their occupancy.

2. Party B has the obligation to cooperate with Party A to manage the occupancy personnel (see the attached Enterprise Convention for specific requirements). If Party B fails to comply with the requirements of the Enterprise Convention, Party A has the right to refuse Party B's personnel to stay (at this time, Party B still needs to pay all the expenses of the relevant rooms according to the normal use status); If Party B still fails to comply with the requirements of Party A for rectification, Party A shall have the right to terminate the Contract at any time and require Party B to pay one month's rent as liquidated damages. In case of any additional impact on the normal operation of Party A, Party B shall also compensate for all losses caused thereby.

3. Party B shall ensure that Party B's personnel comply with the regulations and requirements of the local administrative department and Party A on fire control and public security management, as well as other management systems of Party A's apartment (collectively referred to as “management regulations”). If Party B's personnel violate the aforesaid management regulations and fail to correct after Party A's warning, Party A shall have the right to dismiss the relevant personnel according to the circumstances (at this time, Party B shall still pay all the expenses of the relevant rooms according to the normal use status); If Party B's personnel violate the management regulations for more than three times (including three times), Party A shall have the right to directly terminate the Contract and require Party B to pay one month's rent as liquidated damages. In case of any loss caused to Party A, Party B shall also bear full liability for compensation.

4. Party B's personnel shall submit a written report to Party A at least 3 days in advance before check-in. If Party B fails to submit the report, Party A shall have the right to refuse the check-in of Party B's relevant personnel (at this time, Party B shall still pay all the expenses of the relevant rooms according to the normal use status). If Party B fails to report that the personnel have actually moved in, all consequences arising therefrom shall be borne by Party B (including but not limited to the social security responsibility arising therefrom, the penalty, rectification required by the administrative department of the place where the apartment is located, or other impacts and losses caused to Party A and its stores).

5. During the term of the contract, Party B shall designate a special person to be responsible for contacting and docking with Party A. In case of any change in Party B's contact person or contact information, Party B shall notify Party A in writing 5 days in advance.

1. Article 4 Apartment Accommodation Service Charge, Performance Bond and Payment Method

2. The comprehensive service fee includes but is not limited to: accommodation service fee, management service fee, cleaning service fee for public areas, etc. The fee standard is subject to the details of the Check-in Order.

3. Energy cost

(1) The water, electricity, gas, communication and other public utilities and energy charges incurred by Party B's accommodation personnel during the use of the apartment shall be paid by Party B's accommodation personnel/Party B.

(2) Water, electricity, gas and other shared expenses: Party B's personnel shall not bear the water, electricity, gas and other shared expenses in the public area of the apartment where the apartment is located. The shared expenses of water, electricity and gas in the apartment are calculated as 0 yuan:

1) Shared water and electricity = (reading of the current month-degrees of the previous month) × unit price ÷ number of rooms in the store

2) Be consistent with the sharing method of water and electricity in the building where the apartment is located.

4. Performance bond

(1) Party B shall pay the first phase of the comprehensive service fee on the date of signing this Contract, and pay the performance bond of ¥8800 yuan to Party A (including the accommodation bond of 8800 yuan, the water and electricity bond of 0 yuan, the maintenance bond of 0 yuan, and the energy deposit of 0 yuan). (The specific amount is detailed in the Check-in Order, which shall be paid by Party B to Party A to ensure Party B's performance of the obligations and responsibilities agreed in this Contract and its annexes.) The deposit shall not be used as any advance payment, but as a guarantee for Party B's performance of this Contract. After receiving the performance bond, Party A shall provide Party B with a receipt of the same amount.

(2) If Party B has paid the deposit (or earnest money) before the signing of this Contract, the deposit (or earnest money) shall be automatically converted into part of the performance bond when Party B pays the first comprehensive service fee, and the insufficient part shall be supplemented by Party B. Party B shall not use the performance bond to deduct the comprehensive service fee or any payable fee.

(3) If the goods and facilities in the apartment are artificially damaged or destroyed, Party B's personnel shall make compensation according to the original price (see Annex III for the compensation price of relevant articles), and Party A has the right to deduct the corresponding part from the performance bond and require Party B to bear additional liability for compensation. After Party A deducts Party B's deposit, Party B shall make up the performance bond by itself within 3 days after receiving Party A's notice of deduction, otherwise Party A shall have the right to charge liquidated damages to Party B on a daily basis according to the standard of five ten thousandths of the amount that should be made up.

(4) When the term of accommodation expires or this Contract is terminated in advance, if Party B has no breach of contract or arrears of fees, Party A shall return the performance bond to Party B without interest within 30 working days after Party B returns the apartment and the deposit receipt; If Party B fails to pay off the payable expenses, liquidated damages or compensation or other breach of contract, Party A shall have the right to compensate with the performance bond, and shall have the right to recover the insufficient part from Party B.

5. Heating fee and central air conditioning fee (if any)

If Party B's personnel live in a store with central heating and central air conditioning, they shall pay the heating fee and central air conditioning fee, which shall be paid by Party B's accommodation personnel/Party B.

The rates are as follows:

Expense type	Heating expense	Central air conditioning
Charge cycle	15 November-14 March (Charges for time periods that overlap with the contract period)	15 June-14 September (Charges for time periods that overlap with the contract period)
Charge standard	【0】Yuan/Square meters/Month	【0】Yuan/Square meters/Month
Collection method	Pay first and use later, which is consistent with the charge cycle of accommodation fees	

6. Payment method

(1) Party B shall pay the payable expenses (including but not limited to the comprehensive service fee, performance bond, energy use fee, etc.) to the following account of Party A, and any expenses incurred therefrom (including but not limited to taxes, bank charges, etc.) shall be borne by Party B.

Account name: Hangzhou Shangcheng District Branch of Poly Apartment Management Co., Ltd.

Bank of deposit: Industrial and Commercial Bank of China Wangjiang East Road Sub-branch

Account No: 1202 0038 0910 0073 867

Taxpayer's unified social credit code: 9133 0102 MA2K GGR60A

Address: Room 119-10, Building 7, No.45, Broom Bay, Shangcheng District, Hangzhou, Zhejiang

Tel: 0571-86055566

(2) Party A shall, within 15 working days after Party B has paid the relevant expenses, issue to Party B a special VAT invoice/ordinary VAT invoice of the corresponding amount in accordance with the following information:

Company name: Lixin (Hangzhou) Asset Management Co., Ltd.

Address: Room 113, No.147, Ganshui Lane, Shangcheng District, Hangzhou

Tel: 15336533085

Taxpayer's unified social credit code: 91330102MA28N4R655

Bank of deposit: Everbright Bank Hangzhou Qingchun Sub-branch

Account No: 7962 0188 0000 59325

In case of any change in the above information, Party B shall confirm the changed information in writing to Party A ten working days before Party A issues the invoice. Party A shall not be liable for any error or delay in issuing the invoice due to Party B's failure to notify Party A in time.

(1) Party B shall pay Party A the accommodation service fee and other service fees (including but not limited to water and electricity, broadband, central air conditioning, heating, etc.) for each subsequent period at least 10 working days before the start of the corresponding period of the current period.

(2) If the payment date agreed in this Contract or shown in the bill is a statutory rest day or statutory holiday, Party B shall perform the payment obligation before the statutory rest day or holiday.

Article 5 Delivery and Return of Apartment

1. Delivery of the apartment

(1) Party A shall deliver the apartment to Party B one day before the commencement of the accommodation period, and the existing decoration, furniture, sanitary ware, broadband, other supporting decorations and accessories of the apartment shall be used by Party B's personnel. For details, see Annex II House Handover Sheet of this Contract.

(2) Party A shall ensure that the decoration and equipment of the delivered apartment are in normal use. At the time of acceptance, both parties shall jointly check, accept and confirm the decoration and equipment of the apartment. If there is any objection, it shall be raised on the spot. Party A and Party B shall sign for confirmation after checking the decoration and equipment in the apartment according to Annex II House Handover Sheet, and the delivery shall be deemed to be completed.

(3) On the day when the delivery is completed, Party A shall hand over the apartment key, electronic password or door card and other related items to Party B at one time. During the period of accommodation, the right to use the apartment belongs to Party B, and Party B and its personnel shall pay Party A the comprehensive service fee and other fees on time. Once the apartment is delivered, all risks occurring in the apartment shall be borne by Party B and its personnel.

(4) Party B shall pay the full amount of performance bond to Party A before the delivery date, otherwise Party A has the right to delay the delivery of the house until Party B pays the full amount of performance bond. If Party B fails to receive the apartment on time due to Party B's reasons, the service period shall not be extended, and Party B shall still bear all the fees payable from the beginning of the service period.

2. Return of the apartment

(1) On the day when the term of accommodation expires or this Contract is terminated in advance, Party B shall immediately vacate and return the apartment to Party A in the state of delivery, keep the relevant decoration, structure, facilities and equipment of the apartment in good condition, and shall not retain goods or affect the subsequent normal use of the apartment. Party B shall complete the formalities for returning the apartment no later than 15:00 on the same day.

Party A and Party B shall sign for confirmation after checking the decoration and equipment in the apartment according to Annex 2 House Handover Sheet, and Party B shall return the apartment key and other related items to Party A, which shall be deemed as the completion of the return of the apartment.

(2) When the apartment is returned, the new things added by Party B or Party B's personnel can be taken back by themselves, but if Party B or Party B's personnel make any alterations or changes to the apartment itself, ancillary facilities and equipment, decoration, decorations and accessories provided by Party A, they shall be restored to their original state regardless of whether they have obtained the consent of Party A in advance, and all expenses shall be borne by Party B; Party B shall ensure that the sanitary environment of the apartment is consistent with the delivery.

If the decoration and equipment of the apartment are not restored or cleaned by Party B's personnel and need to be restored or cleaned by Party A, all expenses incurred therefrom shall be borne by Party B. If the balance of Party B's performance bond is insufficient to cover the expenses or compensation that Party B shall pay to Party A, Party B shall make up for it to Party A within five days after the termination of this Contract.

(3) If Party B fails to return the apartment on the day when the accommodation period expires or the Contract is terminated in advance, Party A shall have the right to charge Party B a daily penalty of three times the daily comprehensive service fee for the part not returned by Party B (The standard of daily comprehensive service fee = the total monthly comprehensive service fee of Party B/30, and the number of days of compensation = the actual date of returning the apartment-the date of returning as agreed in this Contract).

Party A shall have the right to take necessary measures to forcibly take back the apartment on the fifth day after the termination of this Contract, and Party A may dispose of the goods left by Party B or Party B's personnel in the apartment in any way.

(4) Party B shall be responsible for cleaning up the house when returning the house. If Party A finds that the house is in a dirty state when returning the house, Party B shall pay the cleaning fee. The general dirty cleaning fee is tentatively set at 100 yuan, and the serious dirty cleaning fee is tentatively set at 150 yuan. The specific fee shall be subject to the actual expenditure of Party A.

Article 6 Rights and Obligations of Party A**1. Responsibility for the repair of apartments**

(1) Party A shall be responsible for the maintenance of the main structure of the apartment, and the maintenance and treatment of the water pipes and wires, equipment and facilities, and other fixed devices in the apartment and public areas that are damaged due to quality problems within the normal use range;

(2) Party A shall be responsible for the repair and treatment of the damaged consumables (such as light bulbs) in the room within 3 months after Party B's personnel move into the apartment; Party B shall be responsible for the repair and treatment of the damaged consumables (such as light bulbs) in the room within 3 months after Party B moves into the apartment.

2. Party A's right of access

(1) Party A has the right to enter the apartment under the following circumstances:

- 1) Party A needs to enter the apartment in order to fulfill its commitments or obligations under this Contract;
- 2) Party A needs to check and read the items for which Party B is responsible;
- 3) Party A needs to enter the apartment according to relevant laws and regulations;
- 4) Party A is required to enter according to any order or notice issued by the government or other judicial/administrative authorities;
- 5) Party A carries out necessary maintenance, reconstruction and management of the building;
- 6) Party A needs to enter the apartment in order to exercise the rights under this Contract and Party B's authorization;

Under the above circumstances, Party B and Party B's personnel shall allow Party A and its authorized personnel to enter the apartment at such time as Party A deems reasonable, but shall notify the apartment user in advance if circumstances permit.

(2) No matter what is agreed in this Contract, in case of emergency, Party A shall have the right to enter the apartment at any time, but Party A shall make necessary explanations to the corresponding apartment users afterwards. Party B acknowledges and agrees that Party A shall retain and hold the key, electronic key card or access code for entering the apartment.

(3) Party B acknowledges and agrees that Party A may mortgage the rights and interests of the apartment or trade them in other ways such as trust without prior notice to Party B or consultation with Party B. Party B unconditionally and irrevocably waives any right of first refusal it may have to purchase the condominium and the right to receive any notice.

Article 7 Rights and Obligations of Party B

1. Party B shall provide Party A with the information of the residents of the apartment (including but not limited to the name, contact information, relationship with the residents, etc.) and update it regularly before the start of the accommodation period, so that Party A can provide it to the public security, street office and other relevant departments in a timely manner and manage the apartment. Party B shall ensure that the information provided by it is true and accurate. If Party B fails to update the information of the residents in time or the information of Party B's personnel and their co-residents is proved to be false, Party A shall have the right to notify the relevant departments, and any liability arising therefrom shall be borne by the relevant parties.

2. The apartment provided by Party A can only be used for living, and the maximum number of people living at the same time is [2]. The specific room type information is detailed in the Check-in Order Form.

3. Party B's personnel shall provide Party A with relevant supporting documents (including but not limited to their identity certificates, enterprise work cards, letters of introduction or other supporting documents) before moving into Party A's apartment. Party B shall handle the check-in procedures and pay the performance bond to Party A as required by Party A before Party A delivers the house. Party B's personnel shall fully understand the management regulations of Party A's apartment and obey the management of Party A, take good care of apartment keys, electronic passwords or key cards and other related items.

4. Party B understands and cooperates with Party A in the management of the apartment users, and has the obligation to supervise and urge Party B's personnel to use the apartment reasonably and legally according to Party A's requirements. If Party B's personnel violate Party A's management regulations or cause personal and property losses to a third party, Party A has the right to close the access of relevant personnel to the apartment and notify Party B.

Article 8 Expiration, Modification, Cancellation and Termination of the Contract

1. Party A and Party B agree that the Contract shall be terminated in case of any of the following circumstances during the accommodation period, and neither party shall be liable for the other.

- (1) The land use right within the area occupied by the house is withdrawn in advance according to law;
- (2) The house is requisitioned according to law for social and public interests;
- (3) The house is included in the scope of house demolition permission according to law due to the need of urban construction;
- (4) The house is damaged, lost or identified as a dangerous house;
- (5) Party A notifies Party B in advance that the apartment is recovered due to the property owner/lessor or other reasons;
- (6) Exemptions arising from force majeure as provided by other laws.

2. In case of any of the following circumstances, Party A shall have the right to unilaterally terminate the Contract.

- (1) Failing to pay the accommodation fee as agreed;
- (2) The amount of various fees in arrears reaches 15% of the monthly accommodation fee;
- (3) Unauthorized alteration of the use of the house, demolition, alteration or damage to the main structure of the house;
- (4) Improper custody or unreasonable use damages the house;
- (5) Party B transfers the Premises to a third party without the consent of Party A;
- (6) The number of residents during the period of accommodation exceeds the number stipulated in the contract; (7) Failing to keep pets in accordance with regulations;
- (8) Using accommodation houses to engage in illegal activities and damage public interests.

3. In case of other legal or agreed termination of the contract, the contract shall be terminated in accordance with the law or the contract of both parties.

4. On the day when the accommodation term of the Contract expires or is terminated in advance, Party B shall return the house and empty the goods in accordance with Article 5 of the Contract. If Party B keeps any goods, it shall be deemed that Party B abandons them, and Party A has the right to dispose of them. Party A may issue a written notice of termination to Party B after the occurrence of the circumstances in Paragraph 2 above, and Party A shall have the right to take back the Premises at any time after the termination letter is issued. However, when the termination conditions are reached, Party A also has the right to take back the house at any time.

Article 9 Liability for Breach of Contract

1. After the signing of the contract and the receipt of the comprehensive service fee and other service fees/performance bond paid by Party B, if Party A fails to provide the apartment as agreed in the Contract, which affects the normal use of Party B, Party A shall provide the apartment in accordance with the Contract and deliver it to Party B for use within 7 days. If Party A fails to provide the apartment within the agreed time limit, or the apartment provided again still does not meet the Contract, Party B shall have the right to propose to terminate the Contract, and Party A shall return the received initial apartment accommodation service fee and performance bond without interest, and compensate Party B according to the actual loss.

2. If Party B has reserved Party A's apartment but fails to pay the accommodation service fee on time, Party A may unilaterally terminate the Contract without refunding the paid deposit.

3. If Party B or Party B's personnel change the purpose of the house and the occupants without authorization, Party A shall have the right to terminate this Contract immediately, take back the apartment, and have the right to require Party B to pay one month's rent as liquidated damages.

4. If Party B or Party B's personnel violate the local fire control, public security management regulations, requirements and other management systems of Party A's apartment, Party A shall have the right to require Party B to rectify immediately and investigate Party B's responsibilities in accordance with Article 3 of this Contract.

5. During the term of the Contract, Party B and its personnel shall pay the renewal apartment accommodation service fee and other payable miscellaneous expenses in full and on time as agreed in the Contract. For each day overdue, Party B shall pay the liquidated damages at twice the agreed daily apartment accommodation service fee. For 15 days overdue, Party A shall have the right to terminate the Contract and empty all Party B's articles and deliver them to other Party B for use. If Party B still fails to pay after being urged by Party A, Party A shall have the right to take all necessary measures, including stopping the supply of water, electricity, gas, air conditioning and other energy and property services, to urge Party B to perform its contractual obligations, and all losses arising therefrom shall be borne by Party B.

6. If Party A terminates the Contract due to the violation of the Contract by Party B and its personnel, the performance bond paid by Party B shall not be returned. If Party A has issued an invoice and the Contract is terminated in advance due to Party B's breach of contract, Party B shall cooperate with Party A to complete the red-ink write-off of the returned invoice, and then Party A shall refund the remaining accommodation service fee.

7. If Party B withdraws from the apartment in advance within the term of this Contract, Party A will not refund the performance bond paid by Party B, and the accommodation service fee of the apartment will be settled according to the actual use period of the apartment by Party B.

8. Party A has the right to deduct the compensation expenses incurred by Party B due to breach of contract or damage from the performance bond, and the insufficient part shall be paid by Party B separately.

9. If Party B and Party A negotiate to terminate the Contract in advance, and Party A has issued an invoice, Party B shall cooperate with Party A to complete the red-ink write-off of the returned invoice before Party A returns the performance bond and the remaining accommodation service fee.

10. In case of any dispute arising from the breach of contract by one party, the observant party shall have the right to investigate the liability of the defaulting party for breach of contract. The reasonable losses incurred by the observant party due to its claim for liability for breach of contract and the realization of creditor's rights shall be borne by the defaulting party. The reasonable losses of the observant party include but are not limited to attorney fees, guarantee fees, travel expenses, arbitration fees, preservation fees and execution fees.

Article 10 Exemption Conditions

1. In case of force majeure or municipal planning and other government actions that cause the failure to continue to perform the contract, both parties shall not be liable for breach of contract, and the apartment accommodation service fee shall be settled by both parties according to the actual period of accommodation, and the excess shall be refunded and the deficiency shall be compensated.

2. If Party A is unable to perform the Contract in whole or in part due to government management requirements and not due to Party A's business license, Party A shall have the right to unilaterally terminate the Contract without any liability for compensation, or Party A may arrange for Party B's employees to stay in other stores in the same city.

Article 11 Notice and Service

1. The service address of all kinds of notices involved in the Contract and its annexes and relevant documents in case of disputes in the performance of the Contract are as follows:

Party A confirms that its valid mailing address is the front desk of Building 11 at the intersection of Tonggu Road and Wenchao Road in Shangcheng District.

Party B confirms that its valid mailing address is Room 113, No.147, Ganshui Lane, Shangcheng District, Hangzhou

Contact person of Party A: Tao Hong; Tel: 18358187882; E-mail: hongtao@polyapt.com

Contact person of Party B: Li Zhang; Tel: 18958021816; E-mail:

1. The mailing address, contact telephone, E-mail and other contact information of Party A and Party B listed in Paragraph 1 of this Article are the service addresses during the signing and performance of this Contract and during the settlement of disputes (including the service of legal documents by litigation and arbitration institutions), which shall be confirmed by both parties.

2. Both parties confirm that the contact information and service address agreed in this contract are true and valid. If there is any change, the other party shall be notified in time. The delay and breach of contract caused by the failure to notify in time shall be borne by the changing party.

Article 12 Other agreement

1. Party A shall not be responsible for the economic behaviors and results of Party B and other parties.
2. When signing this Contract, Party A and Party B are clear about their respective rights, obligations and responsibilities, and are willing to strictly implement the contract. Any matter not covered in this Contract may be settled by both parties through negotiation. If consensus is reached through negotiation, supplementary clauses may be entered into, but the supplementary clauses shall not violate relevant national and local laws and policies.
3. The Contract shall be made in triplicate, with Party A holding two copies and Party B holding one copy, and shall come into effect after both parties affix their official seals or special seals for contract. The Annexes to the Contract shall be an integral part of the Contract and shall have the same legal effect as the Contract.
4. Important notice: Party B shall inform the check-in personnel of Party B to keep their valuables properly and be responsible for them. Party A shall not be liable for any loss of personal belongings.
5. All disputes arising from or in connection with this Contract shall be settled by both parties through friendly negotiation. If both parties fail to settle the disputes through negotiation, they shall be submitted to Guangzhou Arbitration Commission for settlement through negotiation in accordance with the then effective arbitration rules of the Commission. The arbitration award shall be final and binding upon both parties.
6. Other special agreements: The “contact person or authorized representative” specified in this Contract is only responsible for the contact and communication of the business agreed in this Contract, and has no right to make any commitment on behalf of Party A. Any letter/Contract involving the adjustment of the rights and obligations of both parties and Party A’s commitment shall be valid only after Party A affixes its official seal. Unless otherwise expressly agreed in this Contract.

Article 13 Appendices to the Contract

Annex I: Sample of Check-in Order

Annex II: House Handover Sheet

Annex III: Schedule of Maintenance Responsibility of Apartment House

Annex IV: Notice for Check-in

Annex V: Enterprise Convention

Annex VI: Business License of Party A and Party B (copy)

Party A (seal)

Party B (seal):

Representative of Party A (signature):

Representative of Party B (signature):

Contact number:

Contact number:

Signing date:

Signing date:

Annex I: Sample of Check-in Order

Check-in Order

Apartment Provider (hereinafter referred to as Party A): Hangzhou Shangcheng District Branch of Poly Apartment Management Co., Ltd.

Apartment User (hereinafter referred to as Party B): Lixin (Hangzhou) Asset Management Co., Ltd.

Party A and Party B signed the Apartment Accommodation Service Contract (hereinafter referred to as the "Original Contract") on. Now, through negotiation, both parties have reached the following occupancy order (hereinafter referred to as the "Order"):

Article 1 Apartment Address: Building 11, Poly Binjiang Shangpin, Intersection of Tonggu Road and Wenchao Road, Shangcheng District, Hangzhou

Article 2 Order details

1. Order house information

Room type	Quantity	Average price of accommodation service charge	Management service fee	Remark
Light luxury two-bedroom	1	8800 yuan/room/month	0 yuan/room/month	
Total	1	8800 yuan/room/month	0 yuan/room/month	

Note: The above room price only refers to the average price of the contracted room of Party B, and the detailed unit price of the accommodation room is shown in the Accommodation Room Allocation Table for Corporate Customers.

2. Check-in time

Contract start time	Contract end time	Service life
August 15, 2021	August 14, 2024	12 month

3. Payment and payment method

Payment cycle	Monthly payment			
Payment method	Swiping card <input type="checkbox"/>	Corporate transfer <input checked="" type="checkbox"/>	Other <input type="checkbox"/>	

4. Payment of performance bond

Performance bond	8800 yuan	Unified payment by enterprises
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Article 3 The bank account designated by Party A

Account name: Hangzhou Shangcheng District Branch of Poly Apartment Management Co., Ltd.
Account number: 1202 0038 0910 0073 867
Bank of deposit: Industrial and Commercial Bank of China Wangjiang East Road Sub-branch

Article 4 Party B's invoicing information

Invoice type: VAT special invoice/VAT ordinary invoice
Invoice name: Lixin (Hangzhou) Asset Management Co., Ltd.
Invoice Tax No.: 91330102MA28N4R655
Description of invoice content (if any): Accommodation service fee (6%)

Article 5 Payment cycle of accommodation service fee and management service fee

Party B's monthly accommodation service fee and management service fee are 8800 yuan/month in total, and the specific payment time is shown in the following table.

Payment date of each due date	Corresponding payment cycle	Time	Amount
Deposit	August 15, 2021 to August 14, 2021	1 year	8800 yuan
August 15, 2021	August 15, 2021 to February 14, 2022	6 month	52800 yuan
February 15, 2022	February 15, 2022 to August 14, 2022	6 month	52800 yuan

Note: Party B shall pay Party A the accommodation service fee and other service fees for each period (including but not limited to water and electricity, broadband, central air conditioning, heating, etc.) within 10 working days before the start of the corresponding period of the current period.

Article 6 Contact information designated by both parties

Contact person designated by Party A:	Tao Hong
Address:	Building 11, Poly Binjiang Shangpin, Intersection of Tonggu Road and Wenchao Road, Shangcheng District, Hangzhou
Tel:	18358187882
E-mail:	hongtao@polyapt.com
Contact person designated by Party B:	Li Zhang
Address:	Room 113, No.147, Ganshui Lane, Shangcheng District, Hangzhou
Tel:	18958021816

Article 7 This order is a further agreement on the original contract, an integral part of the original contract, and has the same legal effect as the original contract. In case of any inconsistency between the original contract and this order, the agreement in this order shall prevail. If there is no agreement in this order, the original contract shall prevail.

Article 8 This Purchase Order shall come into effect as of the date when the legal representatives or authorized representatives of Party A and Party B sign and affix their respective company seals.

Article 9 The original of this order is made in triplicate, with Party A holding two copies and Party B holding one copy. Each copy has the same legal effect.

Annex 1: Accommodation Room Allocation Table for Corporate Customers

Annex 2: Roster of Check-in Personnel Provided by Party B to Party A

Party A (seal):

Party A (seal):

Representative of Party A (signature):

Representative of Party B (signature):

Contact number:

Contact number:

Signing date:

Signing date:

Annex 1: Accommodation Room Allocation Table for Corporate Customers

Room number	Accommodation service fee (yuan/month)	Room number	Accommodation service fee (yuan/month)
No. 306, Building 11	8800	-	-
Cumulative number of rooms (rooms):	One room		
Total monthly rent amount (yuan)	8800 yuan		

Note: The above fees include the management service fee, which is charged at 0 yuan/room/month. If Party B actually signs a contract for one room, the total monthly management service fee is 0 yuan.

Equity Transfer Agreement

This Equity Transfer Agreement (“**Agreement**”) is made by the following parties on [], 2021:

Party A: ADRIE GLOBAL HOLDINGS LIMITED (“ADRIE”), a limited company established and existing under the laws of the British Virgin Islands, the registration number is 1850262, the registration address is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands

Party B: YUANJIA ASSET MANAGEMENT CO., LTD. (“YUANJIA”), a limited company established and existing under the laws of the British Virgin Islands, the registration number is 2006322, the registration address is Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands

Party C: China Roan Industrial-Financial Holdings Group Co. Limited (formerly known as : China Fenghui Industrial-Financial Holding Group Co. Limited, China Feng hui Financial Holding Group Co. Limited) (“**RAHK**” or “**the Company**”), a limited liability company established and existing under the laws of the Hong Kong Special Administrative Region of China, the registration number is 64412110-000-02-20-3, the registration address is UNIT A 8/F, WINBASE, 208 QUEEN’S ROAD CENTRAL, HK

Whereas,

- (1) Party A is the existing shareholder of Party C, holding 100% of the equity of Party C. At present, the equity structure registered by Party C in the Companies Registry is shown in Annex 1- A of this Agreement.
- (2) To further promote the above transfer and specify their rights and obligations. the Parties agree as followings:

1. The Equity Transfer

- 1.1. Party A agrees to transfer 100% of Party C’s equity (corresponding to Party C’s registered capital of HKD1.00, “**Target Equity**”) to Party B at the price of HKD2,200 (“**Transfer Price**”), Party B agrees with the Transfer Price and condition.
 - 1.2. All parties agree that they shall cooperate in the registration of equity transfer within 30 days after the signing of the Agreement, and register the Target Equity in the name of Party B. After the registration of equity transfer is completed, the equity structure of Party C is shown in Annex I-B. Party B shall become the shareholder of Party C from the date of the completion of the registration procedures of the equity transfer, and shall enjoy the rights and undertake the obligations as a shareholder.
-

- 1.3. Both parties agree that Party C shall deliver all Party C's seals and files to Party B within 30 days after signing of this Agreement.
- 1.4. The creditor's rights and debts of the company before and after the equity transfer shall be borne by the Company. If the shareholder is liable for any compensation or joint liability according to law, the new shareholder shall bear the corresponding liability.

2. Representations and Warranties

- 2.1. For purpose hereof, each Party hereto represents and warrants to other Party on the date of signing this agreement as followings:
 - 2.1.1. It is an entity duly established and validly existing according to the law of its jurisdiction of incorporation, and has the capacity and power to execute and perform this Agreement, and bring lawsuit or be sued;
 - 2.1.2. If it is an entity, it has obtained due authorization or approval from its internal decision-making body according to its articles or association or other organizational document to execute and perform this Agreement;
 - 2.1.3. It or its authorized representative has full right and authority to execute and perform this Agreement and to comply with all obligations hereunder;
 - 2.1.4. The execution and performance of this Agreement will neither breach any judgment, award, contract, agreement or other documents to which the Company is bound, nor violate any laws, regulations or government orders.

3. Dispute Resolution

- 3.1. This Agreement is governed by the law of the Hong Kong Special Administrative Region of the People's Republic of China.
- 3.2. The Parties shall negotiate amicably to resolve any dispute arising out of or relating to this Agreement. If negotiation fails, the dispute shall be submitted to Hong Kong International Arbitration Centre for arbitration according to the current arbitration rules of that centre. The arbitration venue is Hong Kong. The arbitration award is final and has binding force upon the Parties.

4. Confidentiality

- 4.1. Any provisions with respect to the Equity Transfer (including this Agreement and other related documents) or any information of Parties obtained by the other Parties in relation to the Equity Transfer shall be confidential information, and shall not be disclosed to any third person.
- 4.2. The provisions of Article 4.1 shall not apply to any of the following information :
 - 4.2.1. The information is publicly available or becomes publicly available through no action or fault of the recipient party,
 - 4.2.2. the information is disclosed by either Party to its employee related to the Transfer;
 - 4.2.3. the information is disclosed by either Party to its bank, financial consultant, legal counsel or other intermediaries for purpose of this Agreement; or
 - 4.2.4. the information is disclosed as required by laws, regulations, government agencies or stock exchanges.
- 4.3. The provisions of Article 4 shall survive rescission or termination of this Agreement.

5. Breach of Contract and Remedies

- 5.1. If any Party ("**Breaching Party**") breaches this Agreement, it shall compensate all losses of the other Party ("**Non-breaching Party**") actually suffered or foreseen (by the Non-breaching Party) at the time when the agreement was made. Where any Party breaches any provision hereof, in addition to any rights to which the Non-breaching Party is entitled hereunder, the Non-breaching Party further has the right to request the Breaching Party to specifically perform this Agreement or to compensate for the loss it suffered. The Breaching Party shall indemnify the Non-breaching Party and its successors and representatives ("**Indemnified Party**") and hold the Indemnified Party harmless from any losses, debts, liabilities, deduction in value, costs (including investigation and defence costs, as well as reasonable costs of attorney and accountant), or other forms of damages, whether involving any third party claims or not, arising from (a) the Breaching Party's breach of any representation or warranty hereof or its representation or warranty hereof is not true, or (b) the Breaching Party's breach of or failure to fully perform any covenant, Agreement, warranty or obligation hereunder, except for those waived by the other Party in writing.

- 5.2. All rights and remedies specified hereunder are cumulative and are in addition to all other rights and remedies provided by law.
- 5.3. Where any Party or its representative becomes aware that any representation or warranty from the other Party is untrue, inaccurate or incomplete through investigation or other means, its waiver of such untrue, inaccurate or incomplete representation or warranty, or its waiver of part conditions precedent, shall not cause the Non-breaching Party to lose any right against the Breaching Party. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

6. Miscellaneous

- 6.1. Taxes. The Parties shall assume various taxes involved in the Equity Transfer according to law. The Party shall pay their respective costs and expenses of legal, tax and other consultants in relation to negotiation and preparation of the transaction documents contemplated in this Agreement.
- 6.2. Effectiveness. This Agreement shall become effective and bind the Parties when it is signed by the Parties or their respective authorized representatives.
- 6.3. Modification; Termination. Unless this Agreement states otherwise, no modification or termination of this Agreement shall become effective until it is signed by the Parties in writing and in advance.
- 6.4. Waiver. No failure or delay to exercise or partial exercise of any right hereunder shall operate as waiver of such right or other right hereunder. No waiver or exemption by any one Party of any breach of the other Party shall be interpreted to be waiver or exemption of any subsequent breach.
- 6.5. Invalidity. Any part, provision or related documents of this Agreement which is held to be void, illegal or unenforceable according to applicable law, (1) shall be ineffective to the extent of such invalid or unenforceability without invalidating the remaining provisions hereof; (2) suitable and equitable provision(s) shall be substituted therefor in order to carry out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid or unenforceable provision(s).
- 6.6. Entire Agreement. This Agreement and its annexes constitutes the entire Agreement between the Parties with respect to the Transfer. If there is any conflict or discrepancy between this Agreement and its annexes, and any communications, representations, covenants, minutes, memorandums, contracts, Agreements or other documents signed by the Parties before execution of this Agreement with respect to the subject matter hereof, this Agreement and its annexes shall prevail. This Agreement and its annexes constitutes an integral whole and have the same legal effect.
- 6.7. Supplemental Agreement. The Parties shall enter into supplemental agreements to specify any matters not covered by this Agreement. If there is any conflict or discrepancy between this Agreement and any supplemental agreement, the supplemental agreement shall prevail.
- 6.8. Force Majeure. Where this Agreement is unable to perform or to perform timely due to any objective circumstances that are unpredictable, unavoidable and insurmountable ("Force Majeure Events"), the affected Party shall notify the other Party immediately by express delivery or fax, and shall provide valid proof of the Force Majeure Event and the grounds that this Agreement is unable to perform in whole or in part or needs to be delayed in performance within fifteen (15) days after occurrence of the event. The Parties may negotiate and decide whether to terminate this Agreement, or waive part obligation of performance, or delay the performance of this Agreement, based on the effect of the Force Majeure Event upon performance of this Agreement.
- 6.9. Counterparts. This Agreement is made in three (3) counterparts, with each Party holding one. All counterparts have the same legal force.

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Annex 1 A: The equity structure of China Roan Industrial-Financial Holdings Group Co. Limited

Number	Name of shareholder	Subscribed registered capital (HKD)	Shareholding ratio
1.	ADRIE GLOBAL HOLDINGS LIMITED	1	100%
Total		1	100%

Annex 1 B: The equity structure of China Roan Industrial-Financial Holdings Group Co. Limited after this equity transfer

Number	Name of shareholder	Subscribed registered capital (HKD)	Shareholding ratio
1.	YUANJIA ASSET MANAGEMENT CO., LTD.	1	100%
	Total	1	100%

(Signature page of the Equity Transfer Agreement)

Party A: ADRIE GLOBAL HOLDINGS LIMITED (seal)

Director (signature)

Signature Page of the Equity Transfer Agreement

(Signature page of the Equity Transfer Agreement)

Party B: YUANJIA ASSET MANAGEMENT CO., LTD
(seal)

Director (signature):

Signature Page of the Equity Transfer Agreement

(Signature page of the Equity Transfer Agreement)

**Party C: China Roan Industrial-Financial
Holdings Group Co. Limited (seal)**

Director (signature):

Signature Page of the Equity Transfer Agreement

Roan Holdings Group Co., Ltd.
(Previously China Lending Corporation)

British Virgin Islands

List of Subsidiaries

Subsidiary	Jurisdiction of incorporation or organization
Adrie Global Holdings Limited	British Virgin Islands
Fortis Industrial Group Limited	Hong Kong
Lixin Financial Holdings Group Limited	Cayman Islands
Lixin Financial Holdings (BVI) Limited	British Virgin Islands
Lixin Financial Holdings Group Limited	Hong Kong
Yifu Health Industry (Ningbo) Co., Ltd.	China
Hangzhou Zeshi Investment Partnership (Limited Partnership)	China
Ningbo Zeshi Insurance Technology Co. Ltd.	China
Zeshi (Hangzhou) Health Management Co. Ltd.	China
Zhejiang Lixin Enterprise Management Group Co., Ltd.	China
Zhejiang Jing Yu Xin Financing Guarantee Co., Ltd.	China
Lixin (Hangzhou) Asset Management Co., Ltd.	China
Lixin Supply Chain Management (Tianjin) Co., Ltd.	China

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Zhiyong Tang, certify that:

1. I have reviewed this annual report on Form 20-F of Roan Holdings Group Co., Ltd., a British Virgin Islands company (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 22, 2022

By: /s/ Zhiyong Tang

Name: Zhiyong Tang

Title: Chief Executive Officer

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Wenhao Wang, certify that:

1. I have reviewed this annual report on Form 20-F of Roan Holdings Group Co., Ltd., a British Virgin Islands company (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 22, 2022

By: /s/ Wenhao Wang

Name: Wenhao Wang

Title: Chief Financial Officer

Roan Holdings Group Co., Ltd.
Section 906 Certification of Chief Executive Officer

I, Zhiyong Tang, Chief Executive Officer of Roan Holdings Group Co., Ltd., a British Virgin Islands company (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company’s annual report on Form 20-F for the fiscal year ended December 31, 2021, to which this statement is filed as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 22, 2022

By: /s/ Zhiyong Tang

Name: Zhiyong Tang

Title: Chief Executive Officer

Roan Holdings Group Co., Ltd..
Section 906 Certification of Chief Financial Officer

I, Wenhao Wang, Chief Financial Officer of Roan Holdings Group Co., Ltd., a British Virgin Islands company (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company’s annual report on Form 20-F for the fiscal year ended December 31, 2021, to which this statement is filed as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 22, 2022

By: /s/ Wenhao Wang

Name: Wenhao Wang

Title: Chief Financial Officer

Roan Holdings Group Co., Ltd. Reports 2021 Financial Year Results

BEIJING and HANGZHOU, China, April 22, 2022 /PRNewswire/ -- Roan Holdings Group Co., Ltd. ("Roan" or the "Company") (OTC Pink Sheets: RAHGF and RONWF), a comprehensive solution provider for industrial operation and capital market services, today reported its financial results for the fiscal year ended December 31, 2021. All amounts are in U.S. dollars.

Fiscal year 2021 Highlights:

- **Net income** increased to \$0.76 million for the year ended December 31, 2021 from a net loss of \$0.85 million for the year ended December 31, 2020.
- **Net earnings per share** increased to \$0.01 for the year ended December 31, 2021 from a net loss per share of \$0.07 for the year ended December 31, 2020.
- **Net commission and fees on financial guarantee services** was \$0.40 million for the year ended December 31, 2021, as compared to \$0.29 million for fiscal year 2020, reflecting an increase of 37.93% for business development.
- **Operating expenses** in total decreased by \$0.81 million, to \$3.30 million for year ended December 31, 2021 compared to \$4.11 million for the year ended December 31, 2020. The decreases were primarily the result of the Company's cost control strategies.

	For fiscal years ended December 31		
	2021	2020	% Change
<i>(\$ millions, except per share data, differences due to rounding)</i>			
Net revenues of services	\$ 0.79	\$ 2.13	(62.91%)
Net commission and fees on financial guarantee services	\$ 0.40	\$ 0.29	37.93%
Total interest and fees income	\$ 2.41	\$ 2.48	(2.82%)
Operating income	\$ 3.61	\$ 4.90	(26.33%)
Net income	\$ 0.76	\$ (0.85)	N/A
Net earnings per share – Basic and Diluted	\$ 0.01	\$ (0.07)	N/A

Mr. Junfeng Wang, Chairman of the Board commented, "We are pleased to conclude fiscal year 2021 with sound financial performance. Although the external environment is full of challenges, through our service and extensive cooperation experience and resources accumulated over the past 10 years and with more than 500 customers and partners in various industries, the Company further optimized its strategic planning and business layout in 2021, and is in process of reforming operation structure, optimization of management team, integration of market resources, establishment of new business entities, and upgrading of our business services and products to meet Roan's future development needs. As a result, the Company not only achieved substantial improvement in financial performance in 2021, but also turned from a net loss of \$0.85 million in fiscal year 2020 to a net profit of \$0.76 million in fiscal year 2021. At the same time, Roan has successfully expanded its business into the field of new energy, new materials, and semiconductor related industries, and we obtained our first \$0.14 million industrial operation service fee income."

"In the future, through our strategic business layout in industrial operation and capital market services, the Company plans to obtain long-term operation rights for new-generation technologies, products, and services in the fields of new energy, new materials, semiconductors, culture, tourism, and health so as to position ourselves to generate income from our services and products in order to share further the upward trend of these industries," Mr Wang said.

Mr. Wenhao Wang, Chief Financial Officer of Roan, commented: "In 2021, in line with our expectations, we became profitable, turning around from last year's losses. We grew our annual net income by \$1.61 million to \$0.76 million. We boosted our business development by upgrading our business ecosystem, and we applied cost-efficient strategies that helped us save \$0.81 million in operating expenses for the past year. We also have a positive working capital balance of \$51.94 million as of December 31, 2021, which makes us believe that the efforts we put in place and the strategic development we are taking will bring us significant improvements to profitability, creating long-term value for our shareholders."

Fiscal Year 2021 Financial Results

Services Revenues

The following table sets forth a breakdown of our revenue by services offered for the years ended December 31, 2021 and 2020:

	For the years ended December 31,		Variance	
	2021	2020	Amount	%
<i>(\$ millions, differences due to rounding)</i>				
Management and assessment service	\$ 0.44	\$ 0.02	\$ 0.42	2100%
Consulting services relating to debt collection	0.21	2.11	(1.90)	(90.05)%
Industrial operation services	0.14	-	0.14	100.00%
Revenues from services	\$ 0.79	\$ 2.13	\$ (1.34)	(62.91)%

- *Management and assessment services*

Revenue from management and assessment services was \$0.44 million ended December 31, 2021, which was increased 0.42 million or 2100% compared with \$0.02 million for the year ended December 31, 2020. The increase was caused by the new contracts of management and assessment services brought significant revenue and cashflow to the Company.

- *Consulting services relating to debt collection*

Revenue from consulting services relating to debt collection was \$0.21 million for the year ended December 31, 2021, a decrease of \$1.90 million, or 90.05%, as compared to \$2.11 million for the year ended December 31, 2020, which was mainly due to the negative impact of the COVID pandemic. We had less contracts for debt collection service during the year ended December 31, 2021.

- *Industrial operation services*

On December 31, 2021, Hangzhou Zeshi investment partnership ("Zeshi investment"), a wholly-owned subsidiary of the Company, entered into an agreement with ZhongTan Future New Energy Industry Development (Zhejiang) Co., Ltd. ("ZhongTan"). Revenue of \$0.14 million was recognized during the year ended December 31, 2021 after the target customer was located, due diligence and initial negotiation was completed, and requirements of ZhongTan were met.

Revenue for commission and fees on financial guarantee services

Commission and fees on financial guarantee services was \$0.46 million for the year ended December 31, 2021, an increase of \$0.08 million, or 21.05% as compared to \$0.38 million for fiscal year 2020, reflecting an increase for business development.

The provisions for financial guarantee services are related to financial guarantee service business as per the requirement of local government. Provisions for financial guarantee services was \$0.06 million for the year ended December 31, 2021, as compared to \$0.09 million for last fiscal year.

Interest and fee income

Interest and fee income primarily consisted of interest and fee income generated from loans due from third parties. Interest and fee income was \$2.41 million, a decrease of \$0.07 million, or 2.82% for the year ended December 31, 2021 as compared to \$2.48 million for fiscal year 2020. The decrease was mainly due to a decrease of \$0.02 million in interest income from loans due from third parties and a decrease of \$0.05 million in interest income on provision deposits with banks.

Operating expenses

Operating expenses in total decreased by \$0.81 million, or 19.70% to \$3.30 million for year ended December 31, 2021 compared to \$4.11 million for the year ended December 31, 2020. The decreases in these expenses were primarily the result of our cost control strategies.

Net income

As a result of the foregoing, we had a net income of \$0.76 million for the year ended December 31, 2021, as compared to a net loss of \$0.85 million for the year ended December 31, 2020

Cash and cash equivalents

Cash and cash equivalents were \$1.95 million as of December 31, 2021, reflecting a decrease of \$2.98 million from \$4.93 million as at December 31, 2020, primarily because of the repayment of bank loan of \$2.94 million during the year ended December 31, 2021.

Working capital

Our working capital was \$51.94 million as of December 31, 2021.

Recent developments

On February 28, 2022, the Company signed a five-year industrial operation cooperation agreement with Jiushang (Hangzhou) Semiconductor Technology Co., Ltd. (“Jiushang”). The Company will provide Jiushang with financing and operation services, and cooperate in the transformation and industrialization of Jiushang semiconductor’s new technological achievements in the Chinese market.

On December 16, 2021, Hangzhou Zeshi invested RMB 2 million (approximately \$0.31 million) in Medium Carbon Future New Energy Industry Development (Zhejiang) Co., Ltd. ("Medium Carbon"), and held 2% its equity. Future New Energy invested RMB 20 million (approximately \$3.10 million) and held 20% its equity. The registered capital of Medium Carbon is RMB 100 million (approximately \$15.49 million).

On November 24, 2021, Hangzhou Zeshi, a wholly owned subsidiary of the Company invested RMB100,000 (approximately \$0.02 million) in Hangzhou Future New Energy Enterprise Management Partnership (Limited Partnership) ("Future New Energy") and held 1% of the equity of Future New Energy. The registered capital of Future New Energy is RMB 10 million (approximately \$1.55 million).

About Roan Holdings Group Co., Ltd.

Founded in 2009, Roan Holdings Group Co., Ltd. (OTC Pink: RAHGF and RONWF) is a comprehensive solution provider for industrial operation and capital market services. Adhering to the platform strategy of "cross collaboration, technology empowerment, sustainability and stability, and combination of operation and finance resources", the Company's services focus on the new energy, new materials, and semiconductor industries. At the same time, the Company focuses on the application of innovative technologies in the consumer industry with respect to financial consumption, cultural and tourism consumption, and great health ecosystem. Roan aims to provide comprehensive solutions and supporting services for diversified institutional and local government clients across the entire industry chain. Roan has offices in Hangzhou and Beijing and subsidiaries in Hangzhou, Ningbo, Shaoxing and Tianjin. For more information, please visit: www.roanholdingsgroup.com.

Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to, among others, the consummation of the proposed transaction, and can be identified by terminology such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Such statements are based upon management's current expectations of the consummation of the proposed transaction, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control. Further information regarding these and other risks, uncertainties or factors are included in the Company's filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

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ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2021 and 2020
(Expressed in U.S. dollar, except for the number of shares)

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 1,947,142	\$ 4,932,048
Restricted cash	29,693,689	25,875,556
Accounts receivable, net	6,929,529	6,939,352
Inventories	33,598	30,348
Loan receivables due from third parties, net	23,751,471	17,670,652
Due from related parties	5,941	94,023
Other current assets	70,910	3,502,550
Other receivables, net	656,835	3,545,753
Total current assets	63,089,115	62,590,282
Pledged deposits	48,752	462,835
Property and equipment, net	77,073	65,073
Intangible assets, net	3,123,394	3,977,867
Right of use assets	37,313	346,017
Goodwill	267,331	261,087
Total non-current assets	3,553,863	5,112,879
Total Assets	\$ 66,642,978	\$ 67,703,161
LIABILITIES		
Customer pledged deposits	\$ 7,846	\$ 7,664
Unearned income	72,523	130,772
Reserve for financial guarantee losses	651,341	579,364
Dividends payable	480,000	480,000
Tax payable	2,614,257	1,767,214
Due to related parties	123,117	281,369
Warrant liabilities	16,998	13,977
Operating lease liabilities, current portion	65,498	191,643
Accrued expenses and other liabilities	1,155,903	1,642,060
Bank loans	5,961,460	8,826,054
Total current liabilities	11,148,943	13,920,117
Operating lease liabilities, noncurrent portion	-	102,767
Deferred tax liabilities	544,355	793,848
Total non-current Liabilities	544,355	896,615
Total Liabilities	\$ 11,693,298	\$ 14,816,732
Commitments and Contingencies	-	-
Shareholders' Equity		
Ordinary Share, no par value, unlimited shares authorized; 25,287,851 and 25,287,851 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	-	-
Class A convertible preferred shares, no par value, unlimited shares authorized; 715,000 and 715,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	\$ 11,711,727	\$ 11,025,327
Class B convertible preferred shares, no par value, unlimited shares authorized; 291,795,150 and 291,795,150 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	31,087,732	31,087,732
Additional paid-in capital	3,312,189	3,312,189
Statutory reserve	362,797	202,592
Accumulated deficit	(14,805,802)	(14,330,288)
Accumulated other comprehensive income	3,128,086	2,310,369
Total Roan Holdings Group Co., Ltd.'s Shareholders' Equity	\$ 34,796,729	\$ 33,607,921
Noncontrolling interests	20,152,951	19,278,508
Total Equity	54,949,680	52,886,429
Total Liabilities and Equity	\$ 66,642,978	\$ 67,703,161

ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Years Ended December 31, 2021, 2020 and 2019
(Expressed in U.S. dollar, except for the number of shares)

	For the Years Ended December 31,		
	2021	2020	2019
Revenues from services	\$ 793,291	\$ 2,128,153	\$ 639,220
Revenues from healthcare service packages	-	55,301	-
Cost of revenues	-	(50,774)	(8,080)
Net revenues of services	793,291	2,132,680	631,140
Commissions and fees on financial guarantee services	456,944	375,471	8,797
Provision for financial guarantee services	(57,417)	(89,865)	(5,008)
Commission and fee income on guarantee services, net	399,527	285,606	3,789
Interest and fees income			
Interest and fees on direct loans	-	-	1,153
Interest income on loans due from third parties	2,113,918	2,131,447	34,707
Interest income from factoring business	-	-	2,782,332
Interest income on deposits with banks	300,749	348,389	64,636
Total interest and fee income	2,414,667	2,479,836	2,882,828
Interest expense			
Interest expenses and fees on secured loans	-	-	(2,218,815)
Net interest income	2,414,667	2,479,836	664,013
Provision for loan losses	-	-	(2,244,601)
Net interest income (loss) after provision for loan losses	2,414,667	2,479,836	(1,580,588)
Operating income (loss)	3,607,485	4,898,122	(945,659)
Total operating expenses			
Salaries and employee surcharges	(1,054,509)	(1,116,482)	(512,314)
Other operating expenses	(2,241,069)	(2,995,098)	(1,385,259)
Changes in fair value of warrant liabilities	(3,021)	5,961	530,863
Total operating expenses	(3,298,599)	(4,105,619)	(1,366,710)
Other income (expenses)			
Deconsolidation gain (loss)	490,283	(1,953,248)	-
Interest income (expenses), net	(267,184)	-	-
Other income (expense), net	554,167	76,406	-
Total other income (expenses)	777,266	(1,876,842)	-
Income (Loss) before income taxes	1,086,152	(1,084,339)	(2,312,369)
Income tax (expenses) recovery	(328,851)	229,733	(244,741)
Net income (loss) from continuing operations	757,301	(854,606)	(2,557,110)
Net income from discontinued operations, net of income tax	-	-	26,846,018
Net income (loss)	757,301	(854,606)	24,288,908
Dividend – convertible redeemable Class A preferred share	-	-	(686,400)
Net income attributable to noncontrolling interests	(386,210)	(838,048)	(76,108)
Net income (loss) attributable to Roan Holding Group Co., Ltd.'s shareholders	\$ 371,091	\$ (1,692,654)	\$ 23,526,400
Other comprehensive (loss) income			
Foreign currency translation adjustment	1,308,444	3,461,980	1,435,262
Reclassified to net gain from discontinued operations	-	-	2,691,969
	1,308,444	3,461,980	4,127,231
Comprehensive income	2,065,745	2,607,374	28,416,139
Other comprehensive income attributable to noncontrolling interests	(488,233)	(1,334,101)	(97,733)
Dividend – convertible redeemable Class A preferred share	-	-	(686,400)
Net income attributable to noncontrolling interests	(386,210)	(838,048)	(76,108)
Total comprehensive income attributable to Roan Holdings Group Co., Ltd.'s shareholders	\$ 1,191,302	\$ 435,226	\$ 27,555,898

Weighted average number of ordinary share outstanding

Basic and Diluted*	<u>25,287,887</u>	<u>25,287,887</u>	<u>25,287,887</u>
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Earnings (Loss) per share

Net earnings (loss) per share – Basic and Diluted	<u>\$ 0.01</u>	<u>\$ (0.07)</u>	<u>\$ 0.93</u>
Net earnings (loss) per share from continuing operations - Basic and Diluted	<u>\$ 0.01</u>	<u>\$ (0.07)</u>	<u>\$ (0.13)</u>
Net earnings per share from discontinued operations - Basic and Diluted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1.06</u>

ROAN HOLDINGS GROUP CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021, 2020 and 2019
(Expressed in U.S. dollar, except for the number of shares)

	For the Years Ended December 31,		
	2021	2020	2019
Cash Flows from Operating Activities:			
Net income (loss)	\$ 757,301	\$ (854,606)	\$ 24,288,908
Less: Net loss from discontinued operations	-	-	26,846,018
Net loss from continuing operations	757,301	(854,606)	(2,557,110)
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation and amortization expenses	1,134,738	1,102,298	55,498
Provision for credit losses	48,518	316,014	-
Provision for loan losses	-	-	2,244,601
Provision for financial guarantee losses	57,417	89,865	5,008
Deferred tax expenses	(265,421)	(1,001,372)	57,674
Changes in fair value of warrant liabilities	3,021	(5,961)	(530,863)
Net gain from disposal of fixed assets	(33,246)	(136,682)	-
Gain from lease modification	(603)	22,257	-
Accretion of finance leases	7,605	14,757	-
Gain (loss) from deconsolidation of subsidiaries	(490,283)	1,953,248	-
Changes in operating assets and liabilities:			
Accounts receivable	(7,495)	(3,116,533)	(206,442)
Inventory	(3,250)	(30,348)	-
Interest and fees receivable	-	-	(149,013)
Other current assets	3,431,640	(3,215,702)	(289,694)
Other receivables	2,425,003	(3,268,571)	-
Pledged deposits and other non-current assets	414,265	359,202	-
Advances from customers	(58,249)	7,915	(6,702)
Tax payable	847,043	1,029,919	273,589
Accrued expenses and other liabilities	449,971	(727,211)	28,875
Net Cash Provided by (Used in) Operating Activities from Continuing Operations	8,717,975	(7,461,511)	(1,074,579)
Net Cash Used in Operating Activities from Discontinued Operations	-	-	(26,564)
Net Cash Provided by (Used in) Operating Activities	8,717,975	(7,461,511)	(1,101,143)
Cash Flows from Investing Activities:			
Repayment of loans from factoring customers	-	-	107,833,488
Proceeds of loans from third parties	20,499,442	-	-
Loans disbursement to third parties	(26,100,286)	(3,467,607)	-
Loans disbursement to factoring customers	-	-	(43,422,881)
Purchases of property and equipment	(54,569)	-	(833)
Acquisition of a subsidiary	-	-	(427,318)
Acquisition of cash from acquired subsidiary	-	-	21,442,122
Proceeds from disposal of discontinued operations	-	-	504,713
Net inflow related to deconsolidation of subsidiaries	788	61,121	-
Redemption of short-term investment	-	8,690,374	-
Due to (from) related party	(70,169)	210,774	-
Proceeds from sale of property and equipment	40,305	837,969	-
Net Cash (Used in) Provided by Investing Activities from Continuing Operations	(5,684,489)	6,332,631	85,929,291
Net Cash Provided by Investing Activities from Discontinued Operations	-	-	35,765
Net Cash (Used in) Provided by Investing Activities	(5,684,489)	6,332,631	85,965,056
Cash Flows from Financing Activities:			
Borrowing from a related party	-	-	279,020
Proceeds from bank loans	5,889,179	8,341,311	-
Repayment of bank loans	(8,927,555)	-	-
Proceeds from secured loans	-	-	43,422,881
Repayment of secured loans	-	-	(107,833,488)
Repayment of third-party loans	-	(280,268)	-
Repayment of lease liabilities	(76,102)	(207,891)	-
Net Cash (Used in) Provided by Financing Activities from Continuing Operations	(3,114,478)	7,853,152	(64,131,587)
Net Cash Used in Financing Activities from Discontinued Operations	-	-	(7,251)
Net Cash (Used in) Provided by Financing Activities	(3,114,478)	7,853,152	(64,138,838)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash in banks	914,219	1,937,807	119,326
Net increase in cash, cash equivalents, and restricted cash in banks	833,227	8,662,079	20,844,401
Cash, cash equivalents, and restricted cash in banks at beginning of year	30,807,604	22,145,525	1,301,124
Cash, cash equivalents, and restricted cash in banks at end of year	\$ 31,640,831	\$ 30,807,604	\$ 22,145,525
Supplemental Cash Flow Information			
Cash paid for interest expense	\$ 269,400	\$ -	\$ -

Cash paid for income tax	\$ -	\$ -	\$ -
Noncash investing activities			
Acquisition of a subsidiary by issuance of Class B Preferred Shares	\$ -	\$ -	\$ 31,087,732
Receivable from disposal of discontinued operations	\$ -	\$ -	\$ 940,829
Right of use assets obtained in exchange for operating lease obligations	\$ -	\$ -	\$ 615,000

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same amounts shown in the consolidated statements of cash flows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,947,142	\$ 4,932,048
Restricted cash in banks	29,693,689	25,875,556
Total cash, cash equivalents and restricted cash	\$ 31,640,831	\$ 30,807,604