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

FORM 10-K

☒ **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**

For the transition period from ________________________

Commission File Number 333-220144

AGAPE ATP CORPORATION
(Exact name of registrant issuer as specified in its charter)

Nevada	**36-4838886**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1705 – 1708, Level 17, Tower 2, Faber Towers, Jalan Desa Bahagia,
Taman Desa, 58100 Kuala Lumpur, Malaysia.
(Address of principal executive offices, including zip code)

Registrant's phone number, including area code
(60) 192230099

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

Common Stock, $0.0001 par value
(Title of Class)

The OTC Market – Pink Sheets
(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Securities Exchange Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. 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 (section 232.405 of this chapter) during the preceding twelve months (or shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-accelerated Filer ☒ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Emerging growth Company ☒

If an emerging growth company, 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 aggregate market value of the Company's common stock held by non-affiliates computed by reference to the closing bid price of the Company's common stock, as of the last business day of the registrant's most recently completed second fiscal quarter:

$914,950,575.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 23, 2022
Common Stock, $0.0001 par value	75,452,012

AGAPE ATP CORPORATION
FORM 10-K
For the Fiscal Year Ended December 31, 2020
Index

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections. We may use words such as "anticipate," "expect," "intend," "plan," "believe," "foresee," "estimate" and variations of these words and similar expressions to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted. These risks and uncertainties include the following:

- *The availability and adequacy of our cash flow to meet our requirements;*
- *Economic, competitive, demographic, business and other conditions in our local and regional markets;*
- *Changes or developments in laws, regulations or taxes in our industry;*
- *Actions taken or omitted to be taken by third parties including our suppliers and competitors, as well as legislative, regulatory, judicial and other governmental authorities;*
- *Competition in our industry;*
- *The loss of or failure to obtain any license or permit necessary or desirable in the operation of our business;*
- *Changes in our business strategy, capital improvements or development plans;*
- *The availability of additional capital to support capital improvements and development; and*
- *Other risks identified in this report and in our other filings with the Securities and Exchange Commission or the SEC.*

This report should be read completely and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements included in this report are made as of the date of this report and should be evaluated with consideration of any changes occurring after the date of this Report. We will not update forward-looking statements even though our situation may change in the future and we assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Defined Terms

Except as otherwise indicated by the context, references in this Report to:

- The "Company," "we," "us," or "our," "Agape" are references to Agape ATP Corporation, a Nevada corporation.
- "Common Stock" refers to the common stock, par value $0.0001, of the Company;
- "Malaysia" is Malaysia;
- "U.S. dollar," "$" and "US$" refer to the legal currency of the United States;
- "RM" and "Ringgit" are to the legal currency of Malaysia;
- "Securities Act" refers to the Securities Act of 1933, as amended; and
- "Exchange Act" refers to the Securities Exchange Act of 1934, as amended.

PART I

ITEM 1. BUSINESS

1. ORGANIZATION AND BUSINESS BACKGROUND

Agape ATP Corporation, a Nevada corporation (“the Company”) was incorporated under the laws of the State of Nevada on June 1, 2016.

Agape ATP Corporation operates through its subsidiaries, namely, Agape ATP Corporation, a company incorporated in Labuan, Malaysia, and Agape Superior Living Sdn. Bhd. (“ASL”), a company incorporated in Malaysia. .

Agape ATP Corporation, incorporated in Labuan, Malaysia, is an investment holding company with 100% equity interest in Agape ATP International Holding Limited, a company incorporated in Hong Kong.

On May 8, 2020, the Company entered into a Share Exchange Agreement with Mr. How Kok Choong, CEO and director of the Company to acquire 9,590,596 ordinary shares, no par value, equivalent to approximately 99.99% of the equity interest in Agape Superior Living Sdn. Bhd., a network marketing entity incorporated in Malaysia.

Agape Superior Living Sdn. Bhd. is a limited company incorporated on August 8, 2003, under the laws of Malaysia.

On September 11, 2020, the Company incorporated Wellness ATP International Holdings Sdn, Bhd. (“WATP”), a wholly owned subsidiary under the laws of Malaysia, to pursue the business of promoting wellness and wellbeing lifestyle of the community by providing services that includes online editorials, programs, events and campaigns on how to achieve positive wellness and lifestyle.

On November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. (“DSY Wellness”) with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies.

The Company and its subsidiaries are principally engaged in the Health and Wellness Industry. The principal activity of the Company is to supply high-quality health and wellness products, including supplements to assist in cell metabolism, detoxification, blood circulation, anti-aging and products designed to improve the overall health system of the human body and various wellness programs.

The accompanying consolidated financial statements reflect the activities of the Company, AATP LB, AATP HK, WATP, ASL and its variable interest entity (“VIE”), Agape S.E.A. Sdn. Bhd. (“SEA”) (See Note 3), and DSY Wellness.

Details of the Company’s subsidiaries:

	Subsidiary company name	Place and date of incorporation	Particulars of issued capital	Principal activities	Proportional of ownership interest and voting power held
1.	Agape ATP Corporation	Labuan, March 6, 2017	100 shares of ordinary share of US$1 each	Investment holding	100%
2.	Agape ATP International Holding Limited	Hong Kong, June 1, 2017	1,000,000 shares of ordinary share of HK$1 each	Wholesaling of health and wellness products; and health solution advisory services	100%
3.	Agape Superior Living Sdn. Bhd.	Malaysia, August 8, 2003	9,590,598 shares of ordinary share of RM1 each	Health and wellness products and health solution advisory services via network marketing	99.99%
4.	Agape S.E.A. Sdn. Bhd.	Malaysia, March 4, 2004	2 shares of ordinary share of RM1 each	VIE of Agape Superior Living Sdn. Bhd.	VIE
5.	Wellness ATP International Holdings Sdn, Bhd	Malaysia, September 11, 2020	100 shares of ordinary share of RM1 each	The promotion of wellness and wellbeing lifestyle of the community by providing services that includes online editorials, programs, events and campaigns	100%
6.	DSY Wellness International Sdn Bhd.	Malaysia, November 11, 2021	1,000 shares of ordinary share of RM1 each	Provision of complementary health therapies	60%

Business Overview

Agape ATP Corporation is a company that provides health and wellness products and health solution advisory services to our clients. The Company primarily focus its efforts on attracting customers in Malaysia. Its advisory services center on the "ATP Zeta Health Program", which is a health program designed to effectively prevent diseases caused by polluted environments, unhealthy dietary intake and unhealthy lifestyles, and promotion of health. The program aims to promote improved health and longevity in our clients through a combination of modern medicine, proper nutrition and advice from skilled nutritionists and/or dieticians.

In order to strengthen the Company's supply chain, on May 8, 2020, the Company has successfully acquired approximately 99.99% of ASL, with the goal of securing an established network marketing sales channel that has been established in Malaysia for the past 15 years. ASL has been offering the Company's ATP Zeta Health Program as part of its product lineup. As such, the acquisition creates synergy in the Company's operation by boosting the Company's retail and marketing capabilities. The newly acquired subsidiary allows the Company to fulfill its mission of "helping people to create health and wealth" by providing a financially rewarding business opportunity to distributors and quality products to distributors and customers who seek a healthy lifestyle.

Via ASL, the Company offers three series of programs which consist of different services and products: ATP Zeta Health Program, ÉNERGÉTIQUE and BEAUNIQUE.

The ATP Zeta Health Program is a health program designed to promote health and general wellbeing designed to prevent health diseases caused by polluted environments, unhealthy dietary intake and unhealthy lifestyles. The program aims to promote improved health and longevity through a combination of modern health supplements, proper nutrition and advice from skilled dieticians as well as trained members and distributors.

The ÉNERGÉTIQUE series aims to provide a total dermal solution for a healthy skin beginning from the cellular level. The series is comprised of the Energy Mask series, Hyaluronic Acid Serum and Mousse Facial Cleanser.

The BEAUNIQUE product series focuses on the research of our diet's impact on modifying gene expressions in order to address genetic variations and deliver a nutrigenomic solution for every individual.

The Company deems creating public awareness on wellness and wellbeing lifestyle as essential to enhance the provision of its health solution advisory services; and therefore, incorporated WATP. Upon its establishment, WATP started collaborating with ASL to carry out various wellness programs.

To further its reach in the Health and Wellness Industry, on November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. ("DSY Wellness") with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies.

Our Products

<u>ATP1s Survivor Select</u>

ATP1s Survivor Select contains various essential nutrients required by the human body to maintain the normal metabolism, which includes productions of biological energy (ATP). Effective production of ATP enhances both physical as well as mental health, and helps the body to build up resistance to diseases.

It helps to:

- Stimulate instant bio-energy production at the cellular level to ensure sufficient supply of bio energy for body cell.
- Promote better metabolism at the cellular level.
- Promote healthy and optimal growth of bones system, teeth structure and muscle tissue of children.
- Improve the digestion and nutrient absorption powers of body cell.
- Promote cell detoxification and repair capabilities in order to enhance cell self-healing ability.

<u>ATP2 Energized Mineral Concentrate</u>

The ATP2 is a nutritional supplement made from the finest plant substances and also is a proprietary formulation of a super-energized colloidal concentrate developed from a dibase solution. Its formula supports and enhances nutritional biochemical activities.

It helps to:

- Support and enhance nutritional biochemical activities (nutrient absorption and waste metabolism).
- Break down or oxidised toxins and waste material to promote cellular detoxification and improve blood circulation.
- Increase cellular respiration and energy production to reduce fatigue and maintain energy level.
- Increase oxygen level in body cells to create a high oxygen environment in the body, which possibly help to prevent the growth of harmful pathogens that contribute to diseases.
- Provide sufficient antioxidants that act as a superior scavenger of free radicals, to strengthen the body cells resistance against oxidative damages.

<u>ATP3 Ionized Cal-Mag</u>

ATP3 Ionized Cal-Mag is a specialized calcium and magnesium minerals supplement that is designed to transform into ionic form completely before entering the body. This is compatible to the cellular ion channel theory, that all cellular metabolisms are dependent on ionic transmission to achieve the highest absorption rate. This product was tested for its nanoparticle by the National Measurement Institute of Australian Government, with proven content of nanosized calcium and magnesium that has better absorption and bio-availability.

It helps to:

- Strengthen the bone system and promote better bone development.
- Strengthen the teeth structure and prevent teeth damages.
- Provide abundant of ionic calcium and magnesium to prevent chronic diseases through better blood circulation and acid-base regulation.
- Promote better relaxing of nervous system and regulations of neurotransmitters which helps to enhance sleep quality.
- Promote better relaxing of muscle to prevent muscle soreness and cramps.

ATP4 Omega Blend

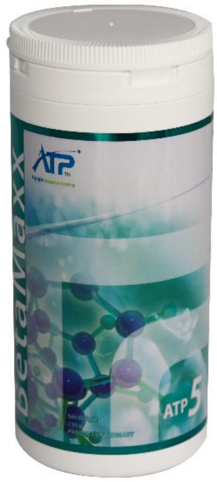
ATP4 Omega Blend is a proprietary oil blend that is rich in undamaged polyunsaturated essential fatty acid, which is fully extracted from plant-based ingredients. It provides a bio-effective balance of both essential fatty acids, Omega 3 and Omega 6 which are the important structural components of cell membranes that cannot be synthesized by humans.

It helps to:

- Regulate cholesterol and triglycerides levels to promote better blood circulation.
- Regulate inflammation, the unifying component of many diseases, and enhance cell repairing activities.
- Regulate hormones production and functions in the body through supplies of the balanced ratio of Omega 3 and Omega 6.
- Promote healthy functioning of the brain through the maintenance of healthy impulse transmission in brain cells that is crucial for memory and learning ability.

ATP5 BetaMaxx

ATP5 BetaMaxx is derived from the cell wall of premium food-grade baker' s yeast and is a medical breakthrough result of more than 50 years of intensive research and studies by scientists and physicians. This product combines the immunostimulatory properties of perfectly molecularly structured beta 1-3, 1-6-D-glucan with other immunomodulating compounds that work in perfect synergy to make ATP5 a unique and effective natural product. It is a 100% natural immune enhancer, safe and does not cause any allergic reactions.



It helps to:

- Strengthen the function of immune cells to build up a better immune response of body for external and internal protections
- Promote better cell repairing and regulate inflammatory responses in wound healing.
- Enhance the function of immune cell against damages caused by radiation.
- Helps to normalize blood sugar levels.

AGN-Vege Fruit Fiber

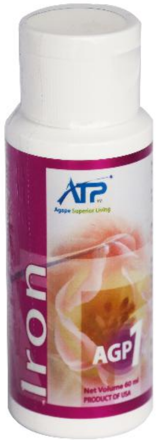
AGN-Vege Fruit Fiber is the special nutrition-based formula for intestines and stomach. It consists of four most essential components for gastrointestinal health effects such as fiber, probiotic the "friendly bacteria", prebiotic fructooligosaccharides (FOS) as well as digestive enzymes.

It helps to:

- Promote better bowel movement and prevent low-fiber diet-induced constipation.
- Maintain bowel health. FOS helps increase intestinal bifidobacteria and helps maintain a good intestinal environment.
- Slow the absorption of sugar and lipid into the bloodstream which helps improve blood sugar and cholesterol level.
- Induce better satiety, which results in reduced total food intake and helps in achieving an ideal weight management.

AGP1-Iron

AGP1-Iron is the purest and most advanced Colloidal Iron that is sourced from the remains of an ancient rainforest which contains the most active plant-based element from nature. The colloidal nanosized iron provides high zeta potential promotes better absorptivity and cellular iron uptake through the ion channel.



It helps to:

- Promote better hemoglobin production to improve iron deficiency anemia.
- Iron is a component of hemoglobin in red blood cell which carries oxygen to all part of the body. Therefore, it helps to improve blood circulation and prevent some oxygen deficiency symptoms through enhancement of oxygen delivery and nutrient circulation as well as toxins excretion.
- Iron is a factor in red blood cell formation. It promotes hemoglobin production hence is suitable especially for women and individual who experienced accidental bleedings.

YFA-Young Formula

YFA-Young Formula is a 100% natural unique formula, a combination of amino acid, vitamins, and minerals and is the best anti-aging and youthful maintenance supplement. It stimulates the pituitary gland to release endocrine hormones such as human growth hormone (HGH) to stimulate synergies thus achieving the efficacy of anti-ageing through the promotion of cells vitality and strengthening of organ function.

It helps to:

- Enhance the production of bio-energy ATP and metabolism, which aids in reducing body fat accumulation and promote strong muscles building.
- Stimulate the production of collagen to restore skin elasticity and reduce wrinkles.
- Reduce pigmentation and dark spots on face caused by hormonal imbalances.
- HGH builds and repairs tissues and thus has an effect on hair cells at the hair root to promote healthy hair growth.
- Enhance memory and cardiovascular function and prevent various chronic diseases due to HGH deficiency.

BEAUNIQUE Mito+

The BEAUNIQUE Mito+ is a strong antioxidant drink with great flavor and taste. The preeminence of BEAUNIQUE Mito+ is its ability to further protect and stimulate mitochondria (the powerhouse of cells) in cellular energy (ATP) production with the added advantage of less total sugars and calories. The formula comprises 11 Superfood including potent mangosteen skin extract. Backed by advanced scientific research and tested on 88 nutrigenomic profile, the formulation revealed enhanced antioxidant properties. 96.34% DPPH Radical Scavenging activity.

It Promotes:

Cellular health
- Effective antioxidants to protect from cellular oxidative damages.

Immune health
- Enhance adaptive immune response.
- Anti-inflammatory.
- Strengthen immunity against bacteria and viruses.

Metabolic health
- Reduce risk of obesity.
- Reduce risk of vascular diseases.
- Reduce risk of Type II Diabetic.

Brain health
- Reduce risk of neurodegenerative diseases.

Skin health
- Systemic photoprotection.
- Reduce dark spot formation.
- Alleviates skin wrinkle and inflammation induced by UV-B irradiation.

<u>ORYC-Organic Youth Care Cleansing Bar</u>

ORYC-Organic Youth Care Cleansing Bar is a natural, organic cleansing soap for skin. It contains pure Australian-accredited natural and organic plant oils acting as a high quality and natural skin lubricant. It maintains the softness of the skin while promoting skin beauty and radiance.

It helps:

- With its biodynamic avocado oil and vanilla extract, remove impurities, leaving skin clear, fresh and clean.
- With its biodynamic, coconut, almond and olive oil, moisturize and texturize the skin to prevent skin drying.
- In acting as natural anti-bacterial and anti-inflammatory agents, reduce the risks of skin infections and allergies.

*References alluding to the efficacy and effects of our products are based on client testimonials.

Beauty Products

The Company's ENERGETIQUE series aim to provide a total dermal solution for a healthy skin beginning from the cellular level. The series is comprised of Energy Mask, Hyaluronic Acid Serum and Mousse Facial Cleanser.

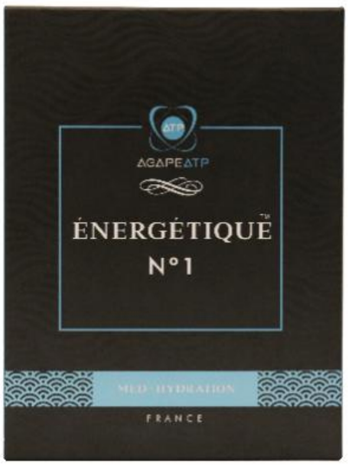
ENERGY MASK SERIES

The Company's Energetique Mask Series is formulated with triple action natural ingredients and advanced technologies. The innovative combination of award-winning patented liposome encapsulating the customized fast acting patented essence, produces micro-particle liposome which, combined with collagen peptide Tencel film, creates an effective formulation that benefits the skin at the cellular level.

There are three types of face masks in the Energetique Mask Series, each to suit a different skin requirement. They are: N° 1 Med-Hydration; N° 2 Med-Whitening; N° 3 Med-Firming. Advanced genetic analysis and clinical trials conducted revealed the benefits and efficacies of the patented functional essence. The Energetique Mask Series has clinically shown deep penetration of liposomal essence into deep skin layers within 5 minutes of the application to deliver immediate, deep-reaching and long-lasting benefit of skin hydration, whitening, and firming.

N°1 Med-Hydration

Formulated with the patented Sea Grape (Caulerpa lentillifera) extract, the **N°1 Med-Hydration** enhances skin moisture and luminosity. This treatment effectively improves the moisture content of the inner skin layer and rejuvenate the skin barrier function to avoid moisture loss.

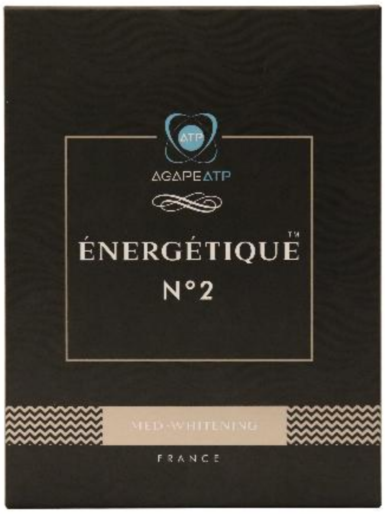


It helps:

- locking the skin moisture and nutrients, strengthening the skin barrier function and boosting the skin' s moisture level.
- to increase the skin' s natural moisturizing factor (PCA) and skin layer glycoprotein connectivity to maintain the skin' s moisture.
- to effectively retain water, provides moisturization, restores skin elasticity, and promotes the growth of fibroblasts for moisturization, removes dryness, regains skin' s elasticity and smoothness.
- immensely in delivering an instant boost of skin moisture content up to 45.7% in just 5 minutes of application and synergistically ensuring a profound and long-lasting skin moisturization and hydration.

N°2 Med-Whitening

Formulated with patented Peach Blossom Stem Cell Extract, the **N°2 Med-Whitening** has clinically shown its efficacy in inhibiting the melanin synthesis, down-regulating the melanin synthesis gene, boosting skin moisture level and protecting skin against UV radiation.

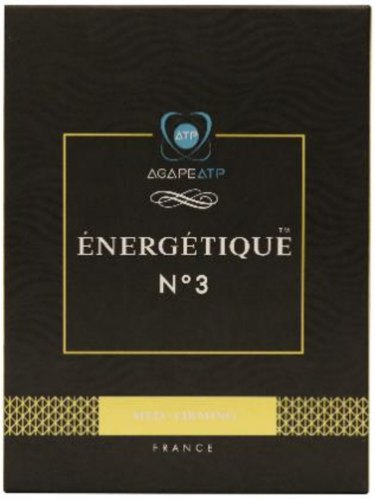


It helps:

- in suppressing melanin production and fight against UV radiation to protect skin cells and result in whitening effect.
- to stimulate interstitial hyperplasia cell and helps in increasing the moisturizing ceramide by 7.4 times in order to remove skin roughness and smoothing skin.
- to enhance the skin brightness up to 6.3% in just 5 minutes of application and synergistically rejuvenate a profound and long-lasting skin ability in anti-UV damage.

N°3 Med-Firming

Formulated with the patented Djulis (Chenopodium formosanum Koidz) Seed Extract, the native cereal plant in Taiwan and traditionally called "ruby of cereals." The formulation is clinically proven to be effective in stimulation of collagen secretion and anti-advances glycation end-products (AGEs) reducing the glycation of skin collagen, provide protection and maintenance of the basal skin collagen production.



It helps:

- to suppress the skin collagen glycation process, reduces collagen loss, and enhancing collagen secretion.
- repairing the dead skin tissue, smooth wrinkles to restore the smoothness and health of the skin.
- preventing wrinkles formation and providing the essential skin moisture content.
- to boost skin elasticity by up to 14.4%. and improve sagging skin by 135 in just 5 minutes of application.

ÉNERGÉTIQUE Hyaluronic Acid (HA) Serum

Formulated with four functional hyaluronic acid and a unique peptide, this scientifically advanced and intensive quintuple action serum proven to deliver 5Rs dermal benefits. Filled in an innovative yet convenient and hygienics syringe packaging, this HA serum also ensure consumer-perceivable benefits for every skin type.

Benefits

- REBALANCE – Hydrate the skin surface by forming a protection layer and keep skin moisturized even after cleansing
- RECOVER - Repair the out-balanced lamellar layer to act as barrier to prevent skin moisture from evaporation
- REGENERATE – Promote the production of Type I pro-collagen and boost skin's own production of Hyaluronic Acid up to 3 times
- REHYDRATE – Nano-sized particles with high capacity of water-holding allow deep penetration and bestows moisture from inside the skin. Long-lasting moisture retention up to 72 hours
- REMODELLING – Proven to increase skin firmness +200% (cheek, under-eye and neck). Enhance skin viscoelasticity to improves skin roughness

ÉNERGÉTIQUE Mousse Facial Cleanser

Formulated with the mildest surface-active agents available on the market, this facial cleanser was designed to deliver a distinct A to E cleansing benefits to consumers. The unique mousse like-foam delivers a comfortable and soft feeling of the skin during and after use without compromising the moisturizing level and viscoelastic properties of the skin.

Benefits

A. All Skin Type

a. Hypoallergenic
b. Non-comedogenic

B. Balance

a. pH-balanced formula with buffer capacity at pH 5.5 of the skin.

Benefits

C. Comfortable

a. Mild to skin and eyes without irritating or drying your skin
b. Comfortable and soft feeling – prolonged comfortable to skin before and after use. Accidental consuming would not be harmful to your body.

D. Dense

a. Mousse-like foam very fine porous foam and smooth skin-feel during use

E. Effortlessly

a. Easily remove light makeup, dirt and impurities.
b. Easy to rinse with no residual.

<u>Unique Characteristics via Nutrigenomic</u>

The Company's BEAUNIQUE product series focuses on the research of diet's impact on modifying gene expressions to address genetic variations and deliver a personalized nutrigenomic solution for every individual.

Trim+:

Trim+ is the first product launched under this series, utilizes the advanced technology to extract the patented active ingredients in foods. Trim+ has scientifically proven to be effective in inhibiting the activities of carbohydrates digestive enzymes, which results in a reduction of the breakdown and absorption of sugars.

It helps to:

- Reduce total carbohydrates calories intake with the scientifically proven effect on weight management.
- Regulate blood sugar levels with scientifically proven efficacy.
- Improve cellular uptake of sugars for bioenergy ATP production.
- Maintain insulin hormone balance, helps prevent diabetes.
- Improve blood lipids composition, helps prevent cardiovascular disease.

Future Plans

As at the date of this report, the number of COVID-19 cases have hit over 447 million worldwide with approximately 6.0 million lives lost.

It has been approximately 2 years since the declaration of the COVID-19 pandemic, the lethargy brought about by the pandemic to the world populace, countries and governments is immense.

As of March 2022, Malaysia stands at position 26 as the country with the highest COVID-19 cases as recorded under the coronavirus statistics of the "worldometer". Total COVID-19 cases in Malaysia hit approximately 3.6 million and associated fatality of 33, 228. These figures are huge relative to the small size economy of the country. We are witnessing the adverse impact on the purchasing power of consumers in Malaysia, where our products are mainly sold as a direct result of the prolonged pandemic. Revenue of ASL, our subsidiary that is principally involved in network marketing decreased significantly for the year ended December 31, 2021 as compared to the same period in 2020.

Our immediate plans will be: (i) to bring the operational activities of ASL to pre-pandemic levels, to record higher revenue and profits. As businesses continues to be digitized, we will further capitalize on the e-commerce trading platform provided by Vettons Sdn. Bhd. to perform e-marketing and e-trading of our products to members, as well as online e-recruitment of new members; and (ii) to activate WATP whose principal activity is in promoting wellness and wellbeing lifestyle of the community by providing services that includes online editorials, programs, events and campaigns on how to achieve positive wellness and lifestyle. We will focus on developing customer centric programs, prioritizing high level engagements for a speedier and more tangible outcome.

On November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. ("DSY Wellness") with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies. The establishment of DSY Wellness is a further expansion of our business into the health and wellness industry. The independent third party readily owns 33 proprietary formulas for treating non-communicable disease which he has agreed to bring into the company for joint commercialization. The independent third party also has existing clients receiving traditional complimentary medicine or "TCM" in Indonesia and Thailand.

While the COVID-19 pandemic subsists, we will concentrate our resources in developing our businesses in Malaysia where most of our activities are concentrated. DSY Wellness will expand its businesses in the state of Penang and Johor in the short term. At time opportune, when the pandemic has subsided or is over and restrictions on travelling between nations are uplifted, service centers will be set up in Indonesia and Thailand. Together with ASL and WATP, this has the potential for the development of wellness tourism. As the products and services offerings of the Company widens beyond the sale of health products via network marketing, any overseas expansion could generate multiplier effect to the Company's income and profitability, which the Company will capitalize. It is the Company's ultimate aim to partake in all the lucrative areas of the health and wellness ecosystem as far as possible, to carve a niche in the health and wellness industry.

Marketing

Leveraging on information technology, we will continue to build our brand image to create brand awareness to penetrate the marketplace and attract customers. For the Company's network marketing business, we have a corporate website which introduces and promotes our products and services, enable e-trading and e-recruitment of members. Going forward, we will use our corporate website more extensively to market all our products and services. We will utilize marketing related search engines to attract potential clients to our website. In financial year 2020, we have also synched-up with Vettons Sdn. Bhd, an e-merchant to further our reach through e-commerce. On February 1, 2021, Mr. How Kok Choong, the CEO and director of the Company, was appointed as the non-executive Chairman of Vettons Sdn Bhd. Vettons Sdn. Bhd became our related party since then.

Additionally, we will explore other online methods to enhance brand awareness that are impactful for community building for our other ventures in the health and wellness industry such as referral programs, develop contents for guest publishing, social media contests, etc. We will be social focus in the selection of social networks for our social media marketing, and where appropriate infographics will be used and influence marketing will be employed.

With the incorporation of DSY Wellness, much cross-selling and up-selling will be deployed for a more comprehensive products and services offerings to our customers. As discussed above, the multiplier effect of a wide products and services offerings to the Company's revenue stream and bottom line is huge.

Competition

The health and wellness industry, with a focus on health supplements in particular in Malaysia, where we operate, is rather competitive. Our focus is on the mature group of customers, i.e. adults ranging in age from 18-65 years old. We face competition from various retail health supplement providers, pharmacies, and Multi-Level Marketing Companies which supply health supplement products, such as Bio-Life Marketing Sdn Bhd, Elken Group, Usana Group, BMS Organics, NHF Group and their respective affiliates. These competitors are generating significant traffic to their marketing websites; and have established brand recognition and financial resources.

We believe that the principal competitive factors in our type of market include the quality of health supplements, the efficacies of the health supplements, strength and depth of relationships with clients, the ability to identify the changing needs and requirements of prospective clients, and the scope of services. Through utilizing our competitive strengths, we believe that we have a competitive edge over other competitors due to the breadth of our product offerings, one stop convenience, pricing, our services, our reputation and product safety. As discussed, the prolonged pandemic has eroded much of the purchasing power of the Malaysian community. The last year has seen consumers shifting to more affordable goods and services. As nations start to accept COVID-19 as endemic, we will target our resources to regain our operational activities to pre-pandemic level. Next, we will develop and enlarge our market share in the Malaysian market and potentially further into the overseas market.

The Company's latest investment in TCM is comparatively a less competitive health and wellness segment, especially at a time when non-communicable disease is on the rise. The independent third party whom we joint venture with is an accredited practitioner in TCM in Malaysia.

Customers

Our customer base from our network marketing sales channel stood at 128,235 members as at December 31, 2021. We will rework our product-mix and pricing to help our distributors and members to strengthen and widen their sales network. We will also capitalize the existing customer base to build the wellness and wellbeing lifestyle community to enhance WATP's business, and for our TCM products and services offerings.

Employees

The following table sets forth the number of employees by function as of the date of this annual report:

Function	Number of employees
Senior Management	3
Business Development Department	3
Corporate Affairs Department	3
Finance Department	6
Human Resources Department	4
Operations Department	9
Product Development Department	5
Sales & Marketing Department	3
Total	36

Regulations

At present, our products are predominately sold in Malaysia. As the contents and combination of the main ingredients in our ATP Zeta Health Program and BEAUNIQUE series are categorized as health food rather than medicines or drugs, all of our products require authorization from the Food Safety and Quality Division of the Ministry of Health, Malaysia according to the Food Act 1983 (ACT 281) & Regulations in order to be sold in the country. Accordingly, we have obtained the appropriate authorizations from the Food Safety and Quality Division of the Ministry of Health, Malaysia for all products in our ATP Zeta Health Program and BEAUNIQUE series.

Our ÉNERGÉTIQUE series is regulated under the Control of Drugs and Cosmetics Regulations 1984, the Ministry of Health, Malaysia. We have also obtained the appropriate authorizations for distribution and sale of the products.

ITEM 1A. RISK FACTORS

We are exposed to concentration risk of heavy reliance on our major supplier for the supply of our products, and any shortage of, or delay in, the supply may significantly impact on our business and results of operation.

For the year ended December 31, 2021, we purchased $28,969 and $27,707 from two of our major suppliers, represented approximately 47.3% and 45.2%, respectively, of our total purchases. Our business, financial condition and operating results depend on the continuous supply of products from our major suppliers and our continuous supplier-customer relationships with them. Our heavy reliance on our major suppliers for the supply of our products will have significant impact on our business and results of operation in the event of any shortage of, or delay in the supply.

As is customary in distribution arrangements of this type, the distribution agreement with our major suppliers are terminable by either party by giving notice. There is no assurance that our major suppliers will not terminate the distribution agreement. In the event that they terminate the distribution agreements, we will have to source products from other suppliers and we may not be able to secure supply of products with quantity and quality required to support our business or at all. Such termination may therefore have a material adverse impact on our business, financial condition and operating results if we fail to engage any other suppliers before the termination.

There is no assurance that our major suppliers will continue to supply their products in the quantities and timeframes required by us to meet the needs of our customers or comply with their supply agreements with us. Our product supply may also be disrupted by potential labor disputes, strike action, natural disasters or other accidents, epidemic and pandemic affecting the supplier. If our major suppliers do not supply products to us in a timely manner or in sufficient quantities, our business, financial condition and operating results may be materially and adversely affected.

Furthermore, in the event of any delay in delivery of the products to us, our cash flow or working capital may be materially and adversely affected as a result of the corresponding delay in delivery of our products to our customers, and hence the delay in our receipt of payment from our customers.

Our major suppliers may change their existing sales or marketing strategy in respect of the products supplied to us by changing their export strategy, reducing its sales or production volume or changing its selling prices. Consequently, there are no assurances that our major suppliers will not appoint other dealers or distributors which may compete with us in the market where we operate. Furthermore, any significant increase in the selling prices of the products which we source from our suppliers will increase our costs and may adversely affect our profit margin if we are not able to pass the increased costs on to our customers.

There are no assurances that there will be no deterioration in our relationships with our major suppliers which could affect our ability to secure sufficient supply of products for our business. In the event that our major suppliers change their sales or marketing strategy or otherwise appoint other dealers or distributors who may compete with us, our business, financial condition and operating results may be materially and adversely affected.

We could be adversely affected by a change in consumer preferences, perception and spending habits and failure to develop or enrich our product offering or gain market acceptance of our new products could have a negative effect on our business.

The market we operate is subject to changes in consumer preference, perception and spending habits. Our performance depends significantly on factors which may affect the level and pattern of consumer spending in the market we operate. Such factors include consumer preference, consumer confidence, consumer income and consumer perception of the safety and quality of our products. Media coverage regarding the safety or quality of, or diet or health issues relating to, our products or the raw materials, ingredients or processes involved in their manufacturing, may damage consumer confidence in our products. A general decline in the consumption of our products could occur as a result of change in consumer preference, perception and spending habits at any time.

Any failure to adapt our product offering to respond to such changes may result in a decrease in our sales if such changes are related to certain of our products. Any changes in consumer preference could result in lower sales of our products, put pressure on pricing or lead to increased levels of selling and promotional expenses. In any event a decrease in customer demand on our products may also result in lower sales and slow down the consumption of our inventory to a low inventory turnover level. Any of these changes could result in a material adverse effect on our business, financial conditions or results of operations.

The success of our products depends on a number of factors including our ability to accurately anticipate changes in market demand and consumer preferences, our ability to differentiate the quality of our products from those of our competitors, and the effectiveness of our marketing and advertising campaigns for our products. We may not be successful in identifying trends in consumer preferences and developing products that respond to such trends in a timely manner. We also may not be able to effectively promote our products by our marketing and advertising campaigns and gain market acceptance. If our products fail to gain market acceptance, are restricted by regulatory requirements, or have quality problems, we may not be able to fully recover our costs and expenses incurred in our operation, and our business prospects, financial condition or results of operations may be materially and adversely affected.

If we fail to maintain quality products and value, our sales are likely to be negatively affected.

Our success depends on the safety and quality of products that we obtain from our suppliers for our customers. Our future customers will identify our brand name with a certain level of quality and value. If we cannot meet this perceived value or level of quality, we may be negatively affected and our operating results may suffer. In addition, any failure on the part of our suppliers to maintain the quality of their products, will in turn substantially harm the results of our business operations, potentially forcing us to identify other suppliers or alter our business strategy significantly.

If we are unable to create brand influence, we may not be able to maintain current or attract new users and customers for our products.

Our operational and financial performance is highly dependent on the strength of our brand. We believe brand familiarity and preference will continue to have a significant role in winning customers as the decision to buy our products and services. In order to further expand our customer base, we may need to substantially increase our marketing expenditures to enhance brand awareness through various online and offline means. Moreover, negative coverage in the media of our company could threaten the perception of our brand, and we cannot assure you that we will be able to defuse negative press coverage about our company to the satisfaction of our investors, customers and suppliers. If we are unable to defuse negative press coverage about our company, our brand may suffer in the marketplace, our operational and financial performance may be negatively impacted and the price of our shares may decline.

Currently, we sell our products, with or without customization, under our brand name "ATP", to domestic customers in Malaysia and to overseas customers. However, if our competitors initiate a lawsuit against us for infringing their trademark, we may be forced to adopt a new brand name for our products. As a result, we may incur additional marketing cost to raise awareness of such new brand name. We may also be ordered to pay a significant amount of damages, and our business, results of operations and financial condition could be materially and adversely affected.

We may incur losses resulting from product liability claims or product recalls.

We may incur losses resulting from product liability claims with respect to our products supplied by our supplier. We may face claims or liabilities which may arise if there exist any defects in quality of these products or any of these products are deemed or proven to be unsafe, defective or contaminated. In the event that the use or misuse of any product distributed by us results in personal injury or death, product liability and/or indemnity claims may be brought against us, in addition to our product recalls, and the relevant regulatory authorities in the market we operate may close down some of our related operations and take administrative actions against us. If we experience any business disruption and litigation, we may incur additional costs and have to divert our management's attention and resources on such matters, which may adversely affect our business, financial condition and results of operations.

We operate in a heavily regulated industry.

Our business is principally regulated by various laws and regulations in the market we operate, such as in Malaysia the Food Act of 1983 (Act 281) and Regulations, Control of Drugs and Cosmetics Regulations 1984 mandate authorization from the Food Safety and Quality Division and National Pharmaceutical Regulatory Agency of the Ministry of Health for our Company's products to be sold in the country. Various registrations, certificates and/or licenses for the conduct of our business are required under the above laws, which also contain provisions for requirements on the storage, labelling, advertising and importation of some of our products.

Based on our experience, some of the laws and regulations of the place where we operate our business are subject to amendments, uncertainty in interpretation and administrative actions from time to time. Therefore, we cannot assure you that, for the implementation of our business plans and the introduction of any new product, we will be able to obtain all the necessary registrations, certificates and/or licenses. Any failure to comply with the above laws and regulations may give rise to fines, administrative penalties and/or prosecution against us, which may adversely affect our reputation, financial condition or results of operation.

Our internal controls may be inadequate, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, 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 and includes those policies and procedures that: pertain to the maintenance of records in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and/or directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

In connection with the audit of our consolidated financial statements as of December 31, 2021, we and our independent registered public accounting firms identified six "material weaknesses", and other control deficiencies including significant deficiencies in our internal control over financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified related to the Company were: (i) insufficient full-time personnel with appropriate levels of accounting knowledge and experience to monitor the daily recording of transactions, address complex U.S. GAAP accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP; (ii) lack of a functional internal audit department or personnel that monitors the consistencies of the preventive internal control procedures and lack of adequate policies and procedures in internal audit function to ensure that the Company's policies and procedures have been carried out as planned; (iii) lack of adequate segregation of duties and effective risk assessment, which in turn may cause the Company to face the likelihood of fraud or theft, due to poor oversight, governance and review to detect errors; (iv) we lack of proper procedures developed for system change management policies. Change management policies and procedures have not been developed. Critical change management control processes and procedures, such as change request and approval, periodic status reporting, user testing and acceptance, post-implementation review, etc., were either not performed or formally documented; (v) we lack of the following internal control procedures in relation of Third-Party (Service Organization) Vendor Management - (a) service evaluation and qualification assessment of third-party vendors were not performed for the year ended December 31, 2021 and (b) Management was not able to provide evidence of their review of their service providers' SOC 1 and SOC 2, or ISO 27001 certificate reports and therefore unable to provide evidence of their review of the physical security and environmental controls in place at IP Serverone cloud server (which the Company's financial system is hosted on; (vi) we lack of the following internal control procedures in relation of User Account Management - (a) Evidence relating to the authorization of database administrator user accounts and access was not preserved for the MLM System during the year ended December 31, 2021 and (b) Evidence relating to periodic recertification of MLM and SQL Finance System end user are privileged accounts and related access rights were preserved during the year ended December 31, 2021; (vii) we lack of the following internal control procedures in relation of Audit Logs and Segregation of Duty ("SOD") Management - (a) MLM-DB level system/audit logs were not preserved. Procedures for periodic review and analysis of application ("AP"), operating system ("OS"), and database ("DB") level audit logs were not established and performed and (b) An SOD conflict was identified, where administrative rights to AP, OS and DB levels of the MLM system were assigned to the CTO and (viii) we lack of qualified person to be able to provide the tax provision for the U.S. income taxes in connection with the Subpart F and GILTI taxable income.

We have taken measures and plan to continue to take measures to remedy these material weaknesses. The measures that we have taken and are planning to take which includes, but not limited to, hired a chief financial officer who possesses U.S. GAAP and SEC reporting knowledge and hiring more qualified accounting personnel with U.S. GAAP experiences. We are also seeking a U.S. tax professional to assist in the preparation of the Subpart F and GILTI tax provisions. We also intend to form an internal audit function and have plans to hire internal auditors to strengthen our overall governance. All internal auditors will be independent of our operations and will report directly to the audit committee. The implementation of these measures may not fully address the material weaknesses in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct theses material weaknesses or our failure to discover and address any other material weaknesses could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

As a public company, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or SOX 404, will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 10-K and in our quarterly report on Form 10-Q if we are qualified as an accelerated filer. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of SOX 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with SOX 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

Legal disputes or proceedings could expose us to liability, divert our management’s attention and negatively impact our reputation.

We may at times be involved in potential legal disputes or proceedings during the ordinary course of business operations relating to product or other types of liability, employees’ claims, labor disputes or contract disputes that could have a material and adverse effect on our reputation, operation and financial condition. If we become involved in material or protracted legal proceedings or other legal disputes in the future, the outcome of such proceedings could be uncertain and could result in settlements or outcomes which adversely affect our financial condition. In addition, any litigation or legal proceedings could incur substantial legal expenses as well as significant time and attention of our management, diverting their attention from our business and operations.

If we are unable to successfully develop and timely introduce new products or services or enhance existing products or services, our business, financial condition and results of operations may be materially and adversely affected.

We must continually source, develop and introduce new products and services as well as improve and enhance our existing products and services to maintain or increase our sales. The success of new or enhanced products or services may depend on a number of factors including, anticipating and effectively addressing user preferences and demand, the success of our sales and marketing efforts, effective forecasting and management of products and services demands, purchase commitments, and the quality of or defects in our products. The risk of not meeting our customers’ preferences and demands through our products and services may result in a shift in market shares, as customers instead choose products and services offered by our competitors. This may result in lower sales revenue, materially and adversely affecting our business, financial condition and results of operations.

Fluctuations in foreign currency exchange rates could have a material adverse effect on our financial results.

We earn revenues, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar, including Australian Dollar, Malaysian Ringgit and the Hong Kong Dollar. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenues, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against other currencies affect our net operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. We cannot assure you that fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against major currencies would not materially affect our financial results.

Our business depends on the continued contributions made by Mr. How Kok Choong, as our key executive officer, the loss of who may result in a severe impediment to our business.

Our success is dependent upon the continued contributions made by our CEO and President, Mr. How Kok Choong. We rely on his expertise in business operations when we are developing our business. We have no "Key Man" insurance to cover the resulting losses in the event that any of our officer or directors should die or resign.

If Mr. How Kok Choong cannot serve the Company or is no longer willing to do so, the Company may not be able to find alternatives in a timely manner or at all. This would likely result in a severe damage to our business operations and would have an adverse material impact on our financial position and operating results. To continue as a viable operation, the Company may have to recruit and train replacement personnel at a higher cost. Additionally, if Mr. How Kok Choong joins our competitors or develops similar businesses that are in competition with our Company, our business may also be negatively impacted.

Our future success depends on our ability to attract and retain qualified long-term staff to fill management, technology, sales, marketing, and customer services positions. We have a great need for qualified talent, but we may not be successful in attracting, hiring, developing, and retaining the talent required for our success.

If we are not able to achieve our overall long-term growth objectives, the value of an investment in our Company could be negatively affected.

We have established and publicly announced certain long-term growth objectives. These objectives were based on, among other things, our evaluation of our growth prospects, which are generally driven by the sales potential of many product types, some of which are more profitable than others, and on an assessment of the potential price and product mix. There can be no assurance that we will realize the sales potential and the price and product mix necessary to achieve our long-term growth objectives.

We face risks related to health epidemics, severe weather conditions and other outbreaks.

In recent years, there have been outbreaks of epidemics in various countries, including Malaysia. Recently, there was an outbreak of a novel strain of coronavirus (COVID-19), which has spread rapidly to many parts of the world, including Malaysia. In March 2020, the World Health Organization declared the COVID-19 a pandemic. The epidemic has resulted in quarantines, travel restrictions, and the temporary closure of stores and facilities in Malaysia for prolong periods.

Substantially all of our revenues are concentrated in Malaysia. Consequently, our results of operations will likely be adversely, and may be materially, affected, to the extent that the COVID-19 or any other epidemic harms the Malaysia and global economy in general. Any potential impact to our results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the COVID-19 or treat its impact, almost all of which are beyond our control. Potential impacts include, but are not limited to, the following:

- temporary closure of offices, travel restrictions, financial impact of our customers or suspension supplies may negatively affected, and could continue to negatively affect, the demand for our products;

- our customer may require additional time to pay us or fail to pay us at all, which could significantly increase the amount of accounts receivable and require us to record additional allowances for doubtful accounts. We may have to provide significant sales incentives to our sole customer during the outbreak, which may in turn materially adversely affect our financial condition and operating results;

- any disruption of our supply chain, logistics providers or customers could adversely impact our business and results of operations, including causing us or our suppliers to cease manufacturing for a period of time or materially delay delivery to our customers, which may also lead to loss of our customers; and

- the global stock markets have experienced, and may continue to experience, significant decline from the COVID-19 outbreak and the marketable securities that we have invested in could be materially adversely affected, which may lead to significant impairment in the fair values of our investments and in turn materially adversely affect our financial condition and operating results.

Because of the uncertainty surrounding the COVID-19 outbreak, the financial impact related to the outbreak of and response to the coronavirus cannot be reasonably estimated at this time. There is no guarantee that our total revenues will grow or remain at the similar level year over year in the fiscal year 2022. We may have to record downward adjustments or impairment in the fair value of investments in the fiscal year 2022, if conditions have not been significantly improved and global stock markets have not recovered from recent declines.

In general, our business could be adversely affected by the effects of epidemics, including, but not limited to, the COVID-19, avian influenza, severe acute respiratory syndrome (SARS), the influenza A virus, Ebola virus, severe weather conditions such as flood or hazardous air pollution, or other outbreaks. In response to an epidemic, severe weather conditions, or other outbreaks, government and other organizations may adopt regulations and policies that could lead to severe disruption to our daily operations, including temporary closure of our offices and other facilities. These severe conditions may cause us and/or our partners to make internal adjustments, including but not limited to, temporarily closing down business, limiting business hours, and setting restrictions on travel and/or visits with clients and partners for a prolonged period of time. Various impact arising from a severe condition may cause business disruption, resulting in material, adverse impact to our financial condition and results of operations.

Risks Related to our Industry

Our business and reputation may be affected by product liability claims, litigation, customer complaints, product tampering, food safety issues, food-borne illnesses, health threats, quality control concerns or adverse publicity relating to our products. Product liability insurance of our supplier may not cover our liability sufficiently or at all.

Like other consumer product manufacturers, sale of our products involves an inherent risk of our products being found to be unfit for consumption or cause illness. Products may be rendered unfit for consumption due to raw materials or product contamination or degeneration, presence of microbials, illegal tampering of products by unauthorized third parties or other problems arising during the various stages of the procurement, production, transportation and storage processes. The occurrence of such problems may result in customer complaints, fines, penalties or adverse publicity causing serious damage to our reputation and brand, as well as product liability claims, other legal disputes and loss of revenues. Under certain circumstances, we may be required to recall our products. Even if a situation does not necessitate a product recall, we cannot assure you that product liability claims or other legal disputes will not be asserted against us as a result. Product liability insurance of our supplier may not cover our liability sufficiently or at all and will not cover liability that arises out of our default such as mishandling, poor storage condition and/or contamination of the products by us. As a result, a product liability or other judgment against us, or a product recall, could have a material adverse effect on our business, financial condition or results of operations.

Our business is susceptible to food-borne illnesses. We cannot assure you that we are able to effectively prevent all diseases or illnesses caused by our products or contamination of our products. Furthermore, our reliance on third-party product suppliers means that food-borne illness incidents could be caused by our suppliers outside of our control. New illnesses may develop in the future, or diseases with long incubation periods could arise that could give rise to claims or allegations on a retroactive basis. Reports in the media of instances of food-borne illnesses or health threats of our products or any of their major ingredients could adversely and significantly affect our sales, and have significant negative impact on our results of operations. This risk exists even if it were later determined that the illness or health threat in fact was not caused by our products.

In addition, adverse publicity about health and safety concerns, whether unfounded or not, may discourage consumers from buying our products. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused personal injury or illness could adversely affect our reputation and our corporate and brand image. If consumers were to lose confidence in our brand and reputation, we could suffer long-term or even permanent declines in our sales and results of operation. The amount of negative news, customers complaints and claims against us may also be very costly and may divert our management’ s attention from our business operation.

Increased competition and capabilities in the marketplace could hurt our business.

The market where we operate is highly competitive. We compete with other companies that operate in multiple geographic areas, as well as numerous companies that are primarily regional or local in operation. Our ability to gain or maintain share of sales in the market where we operate or in various local markets may be limited as a result of actions by competitors. If we do not continue to strengthen our capabilities in marketing and innovation to maintain our brand loyalty and market share while we selectively expand into other product categories, our business could be negatively affected.

Risks Related to our Common Stock

The market price of our shares is likely to be highly volatile and subject to wide fluctuations in response to factors such as:

- variations in our actual and perceived operating results, especially during this time when the COVID-19 pandemic poses a threat;
- news regarding gains or losses of customers or suppliers by us or our competitors;
- news regarding gains or losses of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry by us or our competitors;
- changes in earnings estimates or buy/sell recommendations by financial analysts;
- potential litigation;
- the imposition of fines or penalties related to our activities in the market where we operate and failure to comply with applicable rules and regulations;
- general market conditions or other developments affecting us or our industry; and
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control.

In addition, the securities markets have from time-to-time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the shares.

We may never be able to pay dividends and are unlikely to do so.

To date, we have not paid, nor do we intend to pay in the foreseeable future, dividends on our common stock, even if we become profitable. Earnings, if any, are expected to be used to advance our activities and for working capital and general corporate purposes, rather than to make distributions to stockholders. Since we are not in a financial position to pay dividends on our common stock and future dividends are not presently being contemplated, investors are advised that return on investment in our common stock is restricted to an appreciation in the share price. The potential or likelihood of an increase in share price is uncertain.

In addition, under Nevada law, we may only pay dividends subject to our ability to service our debts as they become due and provided that our assets will exceed our liabilities after the dividend. Our ability to pay dividends will therefore depend on our ability to generate sufficient profits.

Shareholders may be diluted significantly through our efforts to obtain financing and satisfy obligations through the issuance of securities.

Wherever possible, our board of directors will attempt to use non-cash consideration to satisfy obligations. In many instances, we believe that the non-cash consideration will consist of shares of our common stock, warrants to purchase shares of our common stock or other securities. Our board of directors has authority, without action or vote of the shareholders, to issue all or part of the authorized but unissued shares of common stock or warrants to purchase such shares of common stock. In addition, we may attempt to raise capital by selling shares of our common stock, possibly at a discount to market in the future. These actions will result in dilution of the ownership interests of existing shareholders and may further dilute common stock book value, and that dilution may be material. Such issuances may also serve to enhance existing management' s ability to maintain control of us, because the shares may be issued to parties or entities committed to supporting existing management.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Business support services are rendered from:

Our principal executive office at
1705 - 1708, Level 17, Tower 2,
Faber Towers, Jalan Desa Bahagia,
Taman Desa, 58100 Kuala Lumpur, Malaysia.

Room 2708-9, 2F,
The Metropolis Tower,
10 Metropolis Drive, Hunghom,
Kowloon, Hong Kong.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. There are currently no pending legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock is currently listed on the OTC Markets - Pink Sheets under the trading symbol "ATTP." There is no active trading market in the Company's securities.

Holders

As of December 31, 2021, we had 290,460,047 shares of our Common Stock par value, $0.0001 issued and outstanding. There were 1,220 record holders of our Common Stock.

Transfer Agent and Registrar

Our transfer agent is VStock Transfer, LLC, with an address at 18, Lafayette Place, Woodmere, New York 11598 and telephone number is +1 (212) 828-843.

Dividend Policy

Any future determination as to the declaration and payment of dividends on shares of our Common Stock will be made at the discretion of our board of directors out of funds legally available for such purpose. We are under no contractual obligations or restrictions to declare or pay dividends on our shares of Common Stock. In addition, we currently have no plans to pay such dividends. Our board of directors currently intends to retain all earnings for use in the business for the foreseeable future.

Equity Compensation Plan Information

Currently, there are no equity compensation plan in place.

Unregistered Sales of Equity Securities

None.

Purchases of Equity Securities by the Registrant and Affiliated Purchasers

We have not repurchased any shares of our common stock during the twelve months ended December 31, 2021.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data as of December 31, 2021 and 2020 and for the years ended December 31, 2021 and 2020. This selected financial data should be read in conjunction with the consolidated financial statements and related notes included in Item 15 of this Annual Report.

	Years Ended December 31,	
	2021	2020
Revenue	$ 1,016,962	$ 3,452,621
Net income (loss) attributable to Agape ATP Corporation	$ (2,524,244)	$ 354,766
Net income (loss) per share - (basic and diluted)	$ (0.01)	$ 0.00

	As of December 31,	
	2021	2020
Total assets	$ 4,724,535	7,210,607
Total liabilities	$ 1,312,841	$ 1,285,773

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the notes to those financial statements appearing elsewhere in this Report.

Certain statements in this Report constitute forward-looking statements. These forward-looking statements include statements, which involve risks and uncertainties, regarding, among other things, (a) our projected sales, profitability, and cash flows, (b) our growth strategy, (c) anticipated trends in our industry, (d) our future financing plans, and (e) our anticipated needs for, and use of, working capital. They are generally identifiable by use of the words "may," "will," "should," "anticipate," "estimate," "plan," "potential," "project," "continuing," "ongoing," "expects," "management believes," "we believe," "we intend," or the negative of these words or other variations on these words or comparable terminology. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Overview

Agape ATP Corporation, a Nevada corporation ("the Company") was incorporated under the laws of the State of Nevada on June 1, 2016.

Agape ATP Corporation operates through its subsidiaries, namely, Agape ATP Corporation, a company incorporated in Labuan, Malaysia, and Agape Superior Living Sdn. Bhd. ("ASL"), a company incorporated in Malaysia. .

Agape ATP Corporation, incorporated in Labuan, Malaysia, is an investment holding company with 100% equity interest in Agape ATP International Holding Limited, a company incorporated in Hong Kong.

On May 8, 2020, the Company entered into a Share Exchange Agreement with Mr. How Kok Choong, CEO and director of the Company to acquire 9,590,596 ordinary shares, no par value, equivalent to approximately 99.99% of the equity interest in Agape Superior Living Sdn. Bhd., a network marketing entity incorporated in Malaysia.

Agape Superior Living Sdn. Bhd. is a limited company incorporated on August 8, 2003, under the laws of Malaysia.

On September 11, 2020, the Company incorporated Wellness ATP International Holdings Sdn, Bhd. ("WATP"), a wholly owned subsidiary under the laws of Malaysia, to pursue the business of promoting wellness and wellbeing lifestyle of the community by providing services that includes online editorials, programs, events and campaigns on how to achieve positive wellness and lifestyle.

On November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. ("DSY Wellness") with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies.

The Company and its subsidiaries are principally engaged in the Health and Wellness Industry. The principal activity of the Company is to supply high-quality health and wellness products, including supplements to assist in cell metabolism, detoxification, blood circulation, anti-aging and products designed to improve the overall health system of the human body and various wellness programs.

Agape ATP Corporation is a company that provides health and wellness products and health solution advisory services to our clients. The Company primarily focus its efforts on attracting customers in Malaysia. Its advisory services center on the "ATP Zeta Health Program", which is a health program designed to effectively prevent diseases caused by polluted environments, unhealthy dietary intake and unhealthy lifestyles, and promotion of health. The program aims to promote improved health and longevity in our clients through a combination of modern medicine, proper nutrition and advice from skilled nutritionists and/or dieticians.

In order to strengthen the Company's supply chain, on May 8, 2020, the Company has successfully acquired approximately 99.99% of ASL, with the goal of securing an established network marketing sales channel that has been established in Malaysia for the past 15 years. ASL has been offering the Company's ATP Zeta Health Program as part of its product lineup. As such, the acquisition creates synergy in the Company's operation by boosting the Company's retail and marketing capabilities. The newly acquired subsidiary allows the Company to fulfill its mission of "helping people to create health and wealth" by providing a financially rewarding business opportunity to distributors and quality products to distributors and customers who seek a healthy lifestyle.

Via ASL, the Company offers three series of programs which consist of different services and products: ATP Zeta Health Program, ÉNERGÉTIQUE and BEAUNIQUE.

The ATP Zeta Health Program is a health program designed to promote health and general wellbeing designed to prevent health diseases caused by polluted environments, unhealthy dietary intake and unhealthy lifestyles. The program aims to promote improved health and longevity through a combination of modern health supplements, proper nutrition and advice from skilled dieticians as well as trained members and distributors.

The ÉNERGÉTIQUE series aims to provide a total dermal solution for a healthy skin beginning from the cellular level. The series is comprised of the Energy Mask series, Hyaluronic Acid Serum and Mousse Facial Cleanser.

The BEAUNIQUE product series focuses on the research of our diet's impact on modifying gene expressions in order to address genetic variations and deliver a nutrigenomic solution for every individual.

The Company deems creating public awareness on wellness and wellbeing lifestyle as essential to enhance the provision of its health solution advisory services; and therefore, incorporated WATP. Upon its establishment, WATP started collaborating with ASL to carry out various wellness programs.

To further its reach in the Health and Wellness Industry, on November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. ("DSY Wellness") with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies.

Results of Operation

For the years ended December 31, 2021 and 2020

Revenue

We generated revenue of $1,016,962 for the year ended December 31, 2021 as compared to $3,452,621 for the year ended December 31, 2020, representing a significant decrease of $2,435,659 or approximately 70.5%. It is to be noted that as between the two fiscal years, ASL, with its large group of customers in an established network marketing sales channel that has been in established in Malaysia for the past 15 years, contributed revenue throughout the entire year ended December 31, 2021, whereas ASL's revenue contribution to us only began from April 1, 2020 to December 31, 2020, after its acquisition on May 8, 2020. For the period from January 1, 2020 to March 31, 2020, we were only making sales to our related party on wholesale basis when ASL placed the purchase orders.

Despite a full year revenue contribution from ASL for the year ended December 31, 2021, the Company's revenue decreased significantly due to the COVID-19 situation in Malaysia. From the date of declaration of the COVID-19 a pandemic on March 11, 2020, by the World Health Organization or WHO to the date of this report, Malaysia has been put through intermittent lockdowns of various degree of seriousness such as (1) full movement control orders ("MCO"), under which, quarantines, travel restrictions, and the temporary closure of stores and facilities in Malaysia were made mandatory, (2) MCO were eased to a Conditional Movement Control Order ("CMCO") where most business sectors were allowed to operate under strict rules and Standard Operating Procedures mandated by the government of Malaysia and (3) CMCO were further relaxed to Recovery Movement Control Order ("RMCO").

The lockdowns disrupted much of our operational activities, which led to the significant decrease in revenue for the year ended December 31, 2021 as compared to the same period in 2020. As of March 2022, Malaysia stands at position 26 as the country with the highest COVID-19 cases as recorded under the coronavirus statistics of the "worldometer". Total COVID-19 cases of the country hit approximately 3.6 million and associated fatality of 33, 228. These figures are large relative to the small size economy of the country. The prolonged pandemic has adversely affected the purchasing power of consumers in Malaysia.

Cost of Revenue

Cost of revenue for the year ended December 31, 2021 amounted to $297,333 as compared to $775,855 for the year ended December 31, 2020, representing a significant decrease of $478,522 or approximately 61.7%.

The cost of revenue comprised of freight-in, cost of goods purchased, and packing materials. The significant decrease in cost of revenue for the year ended December 31, 2021 as compared to the same period in 2020, was in line with the significant decrease in our revenues. As explained in the above, much of our operational activities was disrupted as a result of the resurgence of COVID-19 infection and movement control orders imposed in Malaysia.

Gross Profit

Gross profit for the year ended December 31, 2021 amounted to $719,629 as compared to $2,676,766 for the year ended December 31, 2020. Gross margin for the year ended December 31, 2021 was approximately 70.8% as compared to approximately 77.5% for the year ended December 31, 2020.

In view of the significant drop in revenue, the Company offered promotional discounts to our customers with the aim to promote sales, which reduced the gross margin for the year ended December 31, 2021.

Operating Expenses

Our operating expenses consist of selling expenses, commission expenses, general and administrative expenses and provision for doubtful accounts.

Selling expenses

Selling expenses for the year ended December 31, 2021 amounted to $394,682 as compared to $376,582 for the year ended December 31, 2020, an increase of $18,100 or approximately 4.8%. The increase was mainly due to selling expenses incurred by ASL for the year ended December 31, 2021 for the entire year, whereas selling expenses for the corresponding period last year in connection to ASL's network marketing activities only began from April 1, 2020 to December 31, 2020 after its acquisition. The Company incurred higher salaries and benefits expenses for the current year, as it represented a full year from January 1, 2021 to December 31, 2021, but lower other selling expenses, such as credit card processing fees, promotional expenses, events expenses, and travelling expenses from our sales team, as compared to the corresponding period last year for 9 months only from April 1, 2020 to December 31, 2020.

Commission expenses

Commission expenses were $316,267 and $830,659 for the years ended December 31, 2021 and 2020, respectively, representing a significant decrease of $514,392 or approximately 61.9%. The significant decrease in commission expenses was in line with the significant decrease in revenue.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2021 amounted to $1,745,734, as compared to $1,627,660 for the year ended December 31, 2020, representing an increase of $118,074 or approximately 7.3%. The increase was mainly due to general and administrative expenses incurred by ASL for the year ended December 31, 2021 for the entire year, whereas general and administrative expenses for the corresponding period last year in connection to ASL' s network marketing activities only began from April 1, 2020 to December 31, 2020 after its acquisition. The Company incurred higher salaries and benefits expenses for the current year, as it represented a full year from January 1, 2021 to December 31, 2021, but lower other general and administrative expenses, such as professional expenses and office expenses, as compared to the corresponding period of last year for 9 months only from April 1, 2020 to December 31, 2020.

Other (Expenses) Income

For the year ended December 31, 2021, we recorded an amount of $529,045 as other expenses, net as compared to $674,482 other income, net for the year ended December 31, 2020, representing a change of $1,203,527, or approximately 178.4%, in other income. The net other expenses of $529,405 incurred during the year ended December 31, 2021 comprised of other expense of $42,753, unrealized holding loss on marketable securities of $505,231 and dividend income from marketable securities of $18,939. The net other income of $674,482 incurred during the year ended December 31, 2020 comprised of other income of $164,283, unrealized holding gain on marketable securities of $350,137 and dividend income from marketable securities of $160,062.

Provision for Income Taxes

We had a provision for income taxes of $137,067 and a provision for income taxes of $161,581 for the years ended December 31, 2021 and 2020, respectively. During the year ended December 31, 2021, we had provision for income taxes of $114,862 due to certain permanent items required for the income taxes provision in Malaysia jurisdiction after our Malaysia local tax audit and had provision for income taxes of $22,205 on U.S. GILTI taxes provision. On the other hand, during the year ended December 31, 2020, we generated taxable income in ASL that was subjected to a unified 24% income tax rate.

Net (Loss) Income

We incurred a net loss of $2,524,680 for the year ended December 31, 2021, from a net income of $354,766 for the year ended December 31, 2020, a change of $2,879,446, predominately due to reasons as discussed above.

Liquidity and Capital Resources

On March 11, 2020, the World Health Organization or WHO declared the corona virus or COVID-19 a pandemic. To help counter the transmission of COVID-19, the government of Malaysia initiated movement control orders (“MCO”), the first effective March 18, 2020. The MCO had resulted in quarantines, travel restrictions, and the temporary closure of stores and facilities in Malaysia. The first MCO was extended three times, each for a two-weeks period, until May 12, 2020. On May 13, 2020, the MCO was eased to a Conditional Movement Control Order (“CMCO”) where most business sectors were allowed to operate under strict rules and Standard Operating Procedures mandated by the government of Malaysia. The CMCO was further relaxed, and on June 8, 2020, Malaysia moved into the Recovery Movement Control Order (“RMCO”). Due to a resurgence of COVID-19, CMCO was reimposed in the state of Sabah, Selangor, Kuala Lumpur and Putrajaya effective October 14, 2020. On November 7, 2020, the CMCO was extended to a wider geographical area to include another six states in the country. Effectively, ten of thirteen states in Malaysia were placed under CMCO with the exceptions of Perlis, Pahang and Kelantan. On January 1, 2021, the Government of Malaysia extended the Recovery Movement Control Order (“RMCO”) through March 31, 2021. On January 12, 2021, the Malaysian government declared a state of emergency nationwide to combat COVID-19. Intermittent lockdowns were imposed in various states and districts in the country.

On March 5, 2021, lockdowns in most part of the country was eased to a CMCO, nevertheless, COVID-19 cases in the country continue to rise. On May 12, 2021, Malaysia was again put under a full lockdown nationwide, until the earlier of (i) daily COVID-19 cases infection of the country fall below 4,000; (ii) intensive Unit Care, or ICU, wards start operating at a moderate level; or (iii) 10% of the Malaysian population is fully vaccinated. The country is administering over 400,000 doses of COVID-19 vaccines daily. On July 17, 2021, the full lockdown was slightly eased as 13.9% of the Malaysian population was fully vaccinated, with another 30% having received at least one dose of the vaccine. The COVID-19 situation in the country showed no sign of abating. Kuala Lumpur and Selangor remained the epicenter of the latest wave of infections. Total COVID-19 cases in the country surpassed the one million mark on July 25, 2021, and daily cases hit a record high of 24,599 on August 26, 2021. Despite the deteriorating COVID-19 state, the government lifted Kuala Lumpur from Enhanced Movement Control Order (“EMCO”) ahead of schedule and ended the nationwide state of emergency on August 1, 2021. Parliament met for the first time this year on July 26, 2021. Malaysia pressed on with its National COVID-19 Immunization Plan, fast inoculating its residents. COVID-19 infection started to drop below the 10,000 mark daily since beginning October 3, 2021. Effective October 11, 2021, interstate and international travel restrictions were lifted for residents who had been fully vaccinated against COVID-19 as the country achieved its target of inoculating 90% of its adult population. The government is preparing to shift into an endemic COVID-19 phase where it will not impose wide lockdowns even if cases rise. As of March 6, 2022, over 78.9% of the country’ s population have been fully vaccinated, with a further 46.0% having received booster shot.

Substantially all of our revenues are concentrated in Malaysia. Consequently, our results of operations will likely be adversely, and may be materially, affected, to the extent that the COVID-19 or any other epidemic harms the Malaysia and global economy in general. Any potential impact to our results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the COVID-19 or treat its impact, almost all of which are beyond our control. Potential impacts include, but are not limited to, the following:

- temporary closure of offices, travel restrictions, disruption or suspension of supplies, our customers may be negatively impacted financially resulting in which the demand for our products may be adversely affected;
- we may have to provide significant sales incentives to our customers during the outbreak, which may in turn materially adversely affect our financial condition and operating results; and
- any disruption of our supply chain, logistics providers or customers could adversely impact our business and results of operations, including causing us or our suppliers to cease manufacturing for a period of time or materially delay delivery to our customers, which may also lead to loss of our customers.

Although some of the countries from which our products are sourced are experiencing lockdowns, industries involve in the provision of food especially health products and pharmaceuticals are normally exempted. We may experience slight delay in products delivery lead time but barring unforeseen circumstances, the setback should be temporary.

We are currently operating primarily in Malaysia and anticipate expanding into the Asian markets in the future, with a particular focus, at least initially, on expanding into Thailand, Indonesia and Taiwan. We will explore expansion via e-commerce. When the pandemic has subsided or is over and restrictions on travelling between nations are uplifted, we will set up offices in the countries in which we operate to better service our customers.

Because of the uncertainty surrounding the COVID-19 outbreak, the financial impact related to the outbreak of and response to the COVID-19 cannot be reasonably estimated at this time. There is no guarantee that our total revenues will grow or remain at the similar level year over year in 2022.

As of December 31, 2021, we had working capital of $2,599,281 consisting of cash in bank of $554,864 and time deposits of $1,975,347 as compared to working capital of $4,645,729 consisting of cash in bank of $1,112,147 and time deposits of $2,391,182 as of December 31, 2020. The company had a net loss 2,524,680 for the year end December 31, 2021 and accumulated deficit of $3,258,687 as of December 31, 2021 as compared to net income of $354,766 for the year ended December 31, 2021 and accumulated deficit of $734,443 as of December 31, 2020. In assessing our liquidity and going concern, management is projecting that the company’ s revenue will revert to pre-pandemic level, generating sufficient cash therefrom to cover our operating expenses.

If we are unable to generate sufficient cash flow within the normal operating cycle of a twelve-month period to pay for its future payment obligations, we may have to consider supplementing our available sources of funds through the following sources:

- other available sources of financing from Malaysia banks and other financial institutions; and
- financial support from our related parties and shareholders.

Based on the above initiatives, management is of the opinion that the company shall have sufficient funds to meet its working capital requirements and debt obligations as they become due in the foreseeable future from the date of issuance of this Form 10-K. However, there is no assurance that management will be successful in its plans.

The following summarizes the key components of our cash flows for the years ended December 31, 2021 and 2020:

	For the years ended December 31,			
		2021		2020
Net cash used in operating activities	$	(845,842)	$	(557,951)
Net cash (used in) provided by investing activities		(3,959)		1,276,200
Net cash used in financing activities		(19,061)		(22,091)
Effect of exchange rate on cash and cash equivalents		(50,890)		76,985
Net change in cash and cash equivalents	$	(919,752)	$	773,143

Operating activities

Net cash used in operating activities for the year ended December 31, 2021 was $845,842 and were mainly comprised of the net loss of $2,524,680, dividend income from marketable securities of $18,939, the increase in prepayments and deposits of $128,363, and the payment of operating lease liabilities of $138,143. The net cash used in operating activities was mainly offset by the non-cash depreciation and amortization expense of $77,758, amortization of operating right-of-use assets of $139,451, the unrealized holding loss on marketable securities of $505,231, the non-cash deferred tax expense of $10,127, inventories write-down of $36,241, provision for doubtful accounts of $121,514, the decrease of accounts receivables of $167,566, the decrease in inventories of $192,713, the refund in prepaid taxes of $430,062, the increase in customer deposits of $52,981, the increase in income tax payables of $3,988, and the increase in other payables and accrued liabilities of $226,651.

Net cash used in operating activities for the year ended December 31, 2020 was $557,951 and were mainly comprised of the non-cash income on unrealized holding gain on marketable securities of $350,137 and dividend income from marketable securities of $160,062, the increase of accounts receivables of $165,149, the decrease of customer deposits of $1,421,886 and the payment of operating lease liabilities of $105,009. The net cash used in operating activities was mainly offset by the net income of $354,766, the non-cash depreciation and amortization expense of $56,912, amortization of operating right-of-use assets of $106,561, deferred tax provision of $178,329, the decrease in inventories of $78,674, the decrease in prepaid taxes of $184,985, the decrease in prepayments and deposits, including related party of $352,577, and the increase in other payables and accrued liabilities of $336,709.

Investing activities

Net cash used in investing activities for the year ended December 31, 2021 was $3,959, the amount entirely for the purchase of equipment.

Net cash provided by investing activities for the year ended December 31, 2020 was $1,276,200, which were in respect of cash and cash equivalents acquired through acquisition of ASL of $1,210,818, partial proceeds collected from the sale of our non-marketable securities of $70,173 and proceeds from sale of investment in marketable securities of $121, offset by purchase of equipment and intangible assets of $4,912.

Financing activities

Net cash used in financing activities for the year ended December 31, 2021 was $19,061, mainly comprised of payment of deferred offering cost of $15,210 and advances to related parties of $3,851.

Net cash used in financing activities for the year ended December 31, 2020 was $22,091 which were mainly comprised of payment of deferred offering cost of $249,525 offset by repayments from related parties of $227,434.

Credit Facilities

We do not have any credit facilities or other access to bank credit.

Off-Balance Sheet Arrangements

As of December 31, 2021, we have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our stockholders.

Critical Accounting Polices

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 and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods presented. Significant accounting estimates reflected in the Company’ s consolidated financial statements include allowance for doubtful accounts, allowance for inventories obsolescence, useful lives of property and equipment, useful lives of intangible assets, impairment of long-lived assets, allowance for deferred tax assets, operating right-of-use assets, operating lease liabilities and uncertain tax position and impairment of investment in non-marketable securities. Actual results could differ from these estimates.

Revenue recognition

The Company adopted Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (ASC Topic 606) using the modified retrospective method for contracts that were not completed as of June 30, 2019. This did not result in an adjustment to retained earnings upon adoption of this new guidance as the Company’ s revenue was recognized based on the amount of consideration expected to receive in exchange for satisfying the performance obligations.

The core principle underlying the revenue recognition of this ASU allows the Company to recognize - revenue that represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. This will require the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The Company’ s revenue streams are recognized at a point in time for the Company’ s sale of health and wellness products.

The ASU requires the use of a new five-step model to recognize revenue from customer contracts. The five-step model requires that the Company (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

The Company accounts for a contract with a customer when the contract is committed in writing, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of substantially collection.

Sales of Health and Wellness products

- Performance obligations satisfied at a point in time

The Company derives its revenues from sales contracts with its customers with revenues being recognized when control of the health and wellness products are transferred to its customer at the Company' s office or shipment of the goods. The revenue is recorded net of estimated discounts and return allowances. Products are given 60 days for returns or exchanges from the date of purchase. Historically, there were insignificant sales returns.

The Company also sells coupons to its customers for cash at a discounted price of the value of the coupons. Customers can apply the value of the coupons for a reduction in the transaction price paid by the customer are recorded as a reduction of sales. The cash proceeds resulted from the sale of coupons are recognized as customer deposits until the coupons to be applied as a reduction of the health and wellness products transaction price upon such sales transactions occurred. The Company' s coupons have a validity period of six months. If the Company' s customers did not utilize the coupons after six months, the Company would recognize the forfeiture of the originated sales value of the coupons as net revenues.

Sales of Health and Wellness services

– Performance obligations satisfied at a point in time

The Company carries out its Wellness program, where the Company' s products are bundled with health screening test and a health camp program. The health screening test and the health camp programs are considered as separate performance obligations. The promises to deliver the health screening test report and the attendance at the health camp are separately identifiable, which are evidenced by the fact that the Company provides separate services of delivering the health screening test report and allowing admission of the customers to attend the health camp. The Company derives its revenues from sales contracts with its customers with revenues being recognized when the test reports are completed and delivered to its customers during the consultation section in person. The Company also separately derives its revenues from sales contracts with its customers with revenues being recognized when the health camp program was completed in the final day of the health camp.

Fair value of financial instruments

The accounting standard regarding fair value of financial instruments and related fair value measurements defines financial instruments and requires disclosure of the fair value of financial instruments held by the Company.

The accounting standards define fair value, establish a three-level valuation hierarchy for disclosures of fair value measurement and enhance disclosure requirements for fair value measures. The three levels are defined as follow:

- 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.

Financial instruments included in current assets and current liabilities are reported in the consolidated balance sheets at face value or cost, which approximate fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rates of interest.

Recent accounting pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of such any pronouncements may be expected to cause a material impact on its financial condition or the results of its operations, as follow:

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments— Credit Losses—Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In November 2019, the FASB issued ASU No. 2019-10, which to update the effective date of ASU No. 2016-13 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The new effective date for these preparers is for fiscal years beginning after December 15, 2022. ASU 2019-05 is effective for the Company for annual and interim reporting periods beginning January 1, 2023 as the Company is qualified as a smaller reporting company. The Company is currently evaluating the impact ASU 2019-05 may have on its consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01 to clarify the interaction of the accounting for equity securities under ASC 321 and investments accounted for under the equity method of accounting in ASC 323 and the accounting for certain forward contracts and purchased options accounted for under ASC 815. With respect to the interactions between ASC 321 and ASC 323, the amendments clarify that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting when applying the measurement alternative in ASC 321, immediately before applying or upon discontinuing the equity method of accounting. With respect to forward contracts or purchased options to purchase securities, the amendments clarify that when applying the guidance in ASC 815-10-15-141(a), an entity should not consider whether upon the settlement of the forward contract or exercise of the purchased option, individually or with existing investments, the underlying securities would be accounted for under the equity method in ASC 323 or the fair value option in accordance with ASC 825. The ASU is effective for interim and annual reporting periods beginning after December 15, 2020. Early adoption is permitted, including adoption in any interim period. The adoption of this standard on January 1, 2021 did not have a material impact on its consolidated financial statements.

In October 2020, the FASB issued ASU 2020-08, "Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs". The amendments in this Update represent changes to clarify the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. ASU 2020-08 is effective for the Company for annual and interim reporting periods beginning January 1, 2021. Early application is not permitted. All entities should apply the amendments in this Update on a prospective basis as of the beginning of the period of adoption for existing or newly purchased callable debt securities. These amendments do not change the effective dates for Update 2017-08. The adoption of this standard on January 1, 2021 did not have a material impact on its consolidated financial statements.

In October 2020, the FASB issued ASU 2020-10, "Codification Improvements". The amendments in this Update represent changes to clarify the Codification or correct unintended application of guidance that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. The amendments in this Update affect a wide variety of Topics in the Codification and apply to all reporting entities within the scope of the affected accounting guidance. ASU 2020-10 is effective for annual periods beginning after December 15, 2020 for public business entities. Early application is permitted. The amendments in this Update should be applied retrospectively. The adoption of this standard on January 1, 2021 did not have a material impact on its consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign exchange risk. Substantially most of our revenues are denominated in the U.S. dollar while most of our expenses are denominated in Malaysian Ringgit and Hong Kong Dollar. We do not believe that we currently have any significant direct foreign exchange risk and have not hedged exposures denominated in foreign currencies or any other derivative financial instruments. Although in general, our exposure to foreign exchange risks should be limited, the value of an investment in our Common Stock may be affected by the foreign exchange rate between U.S. dollar and Malaysian Ringgit; and U.S. dollar and Hong Kong Dollar because the value of our business is effectively denominated in Malaysian Ringgit and Hong Kong Dollar, while the Common Stock is traded in U.S. dollars.

Credit risk. Financial instruments that are potentially subject to credit risk consist principally of accounts receivable. The Company believes the concentration of credit risk in its trade receivables is substantially mitigated by its ongoing credit evaluation process and relatively short collection terms. The Company does not generally require collateral from customers. The Company evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this item are located in PART IV of this Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosures Control and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of December 31, 2021, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on such evaluation, the Company's management concluded that, during the period covered by this Report, internal controls and procedures over financial reporting were not effective. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

<u>Identified Material Weakness</u>

A material weakness in internal control over financial reporting is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Management identified the following material weakness during its assessment of internal controls over financial reporting as of December 31, 2021,:

(i) insufficient full-time personnel with appropriate levels of accounting knowledge and experience to monitor the daily recording of transactions, address complex U.S. GAAP accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP; (ii) lack of a functional internal audit department or personnel that monitors the consistencies of the preventive internal control procedures and lack of adequate policies and procedures in internal audit function to ensure that the Company's policies and procedures have been carried out as planned; (iii) lack of adequate segregation of duties and effective risk assessment, which in turn may cause the Company to face the likelihood of fraud or theft, due to poor oversight, governance and review to detect errors; (iv) we lack of proper procedures developed for system change management policies. Change management policies and procedures have not been developed. Critical change management control processes and procedures, such as change request and approval, periodic status reporting, user testing and acceptance, post-implementation review, etc., were either not performed or formally documented; (v) we lack of the following internal control procedures in relation of Third-Party (Service Organization) Vendor Management - (a) service evaluation and qualification assessment of third-party vendors were not performed for the year ended December 31, 2021 and (b) Management was not able to provide evidence of their review of their service providers' SOC 1 and SOC 2, or ISO 27001 certificate reports and therefore unable to provide evidence of their review of the physical security and environmental controls in place at IP Serverone cloud server (which the Company's financial system is hosted on; (vi) we lack of the following internal control procedures in relation of User Account Management - (a) Evidence relating to the authorization of database administrator user accounts and access was not preserved for the MLM System during the year ended December 31, 2021 and (b) Evidence relating to periodic recertification of MLM and SQL Finance System end user are privileged accounts and related access rights were preserved during the year ended December 31, 2021; (vii) we lack of the following internal control procedures in relation of Audit Logs and Segregation of Duty ("SOD") Management - (a) MLM-DB level system/audit logs were not preserved. Procedures for periodic review and analysis of application ("AP"), operating system ("OS"), and database ("DB") level audit logs were not established and performed and (b) An SOD conflict was identified, where administrative rights to AP, OS and DB levels of the MLM system were assigned to the CTO and (viii) we lack of qualified person to be able to provide the tax provision for the U.S. income taxes in connection with the Subpart F and GILTI taxable income.

Accordingly, the Company concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the company’ s internal controls.

As a result of the material weaknesses described above, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2021 based on criteria established in Internal Control—Integrated Framework issued by COSO.

Management’ s Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we will prepare written policies and procedures for accounting and financial reporting with respect to the requirements and application of both US GAAP and SEC guidelines, to establish a formal process to close our books monthly on an accrual basis and account for all transactions, including equity and debt transactions.

To further strengthen the Company’ s internal controls, we plan to initiate the following measures going forward:

1. We intend to establish an internal audit function with assessment of Sarbanes-Oxley compliance requirements and improvement of overall internal control.

2. Once we hire additional employees, we intend to initiate a comprehensive training program and development plan to provide ongoing company-wide trainings regarding internal control and requirements of U.S. GAAP financial statements and related disclosures, with particular emphasis on our accounting staff.

3. We are seeking a U.S. tax professional to assist in the preparation of the Subpart F and GILTI tax provisions.

We anticipate that these initiatives will be at least partially, if not fully, implemented by the end of fiscal year 2022.

Changes in internal controls over financial reporting

There were no significant changes in our internal controls over financial reporting that occurred during the period covered by this Report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting:

This annual report does not include an attestation report of the Company’ s registered independent public accounting firm regarding internal control over financial reporting. Management’ s report was not subject to attestation by the Company’ s registered independent public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management’ s report in this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our executive officer's and director's and their respective ages as of the date hereof are as follows:

NAME	AGE	POSITION
How Kok Choong	58	Chief Executive Officer, President, Secretary, Treasurer, Director
Mohd Shaharuddin Bin Abdullah	66	Director
Andrew Lee Kam Fan	60	Chief Financial Officer

Set forth below is a brief description of the background and business experience of our executive officer and director for the past five years.

How Kok Choong - President, Chief Executive Officer, Secretary, Treasurer, Director

Mr. How is primarily responsible for overall development and business strategies, financial, administrative and human resources affairs of the Company. Mr. How has more than 20 years of experience in the senior management roles in the health and wellness industry. From 1987 to 2016, Mr. How was with the San Hin Group of Companies and his last position held was the group chief executive officer for the group. Since August 2003, Mr. How began to work for AGAPE Superior Living International Group as the global president, and continues to hold this position. Further, since September 2009, Mr. How has been serving as president for TH3 Holdings Sdn Bhd, company specialized in IT, academics, online education, mobile Apps, e-Commerce and digital marketing. Mr. How obtained a master's degree and a doctorate degree in Business Administrative from Newport University, USA in December 1997 and December 2000, respectively. In Malaysia, Mr. How Kok Choong was recognized by the Junior Chamber Malaysia (JCM) as an Outstanding Young Malaysian 2003, and was awarded the title of Justice of Peace of Malaysia since 2005. Mr. How Kok Choong received the Outstanding Asian Community Contribution Award in 2011, Malaysia Top Team 50 Enterprise Award in 2011 and 2016, The Contributor Award (Medical and Health Research) in 2012, "Man of The Year" in Worldwide Excellence Award in 2015, "Man of The Year" in McMillan Global Award in 2016, The Distinguished Asia Pacific Outstanding Entrepreneur Lifetime Achievement Award in 2019, World Outstanding Chinese Entrepreneur Lifetime Award in 2019 and Certified Professional Trainer of The International Professional Managers Association in 2019.

Mohd Shaharuddin Bin Abdullah- Director

Mohd Shaharuddin Bin Abdullah, was appointed as an executive director of the Board on January 12, 2021. Prior to joining the Company, Mr. Shaharuddin has approximately 24 years of banking industry background and approximately 8 years of accounting and finance related experience. From October 2013 to October 2016, Mr. Shaharuddin served as the assistant director and the head of consumer credit management at Kuwait Finance House (M) Berhad. From April 2010 to October 2012, Mr. Shaharuddin served as the associate director head of special projects at Danajamin Nasional Berhad, and was later seconded to head the corporate debt restructuring committee, a unit incorporated by Bank Negara Malaysia. From January 2006 to April 2010, Mr. Shaharuddin served as the first vice president and the head of the corporate loans and special assets management division at AffinBank Berhad. From January 2002 to December 2005, Mr. Shaharuddin served as an assistant general manager of operations department at Pengurusan Danaharta Nasional Berhad. From January 1984 to December 2001, Mr. Shaharuddin served as the internal auditor, a branch manager, a regional manager at Interfinance Berhad, which was merged with RHB Bank Bhd. in 2000 and Mr. Abdullah served as the head of monitoring and collection division post-merger. From January 1980 to December 1983, Mr. Shaharuddin served as an investment officer and subsequently an assistant project accountant at Permodalan Bumiputra Sabah Berhad. From October 1976 to December 1979, Mr. Shaharuddin served as an executive officer at Bank Negara Malaysia. Mr. Shaharuddin has been an associate member of the Asian Institute of Chartered Bankers since April 1998. Mr. Shaharuddin received his diploma in accountancy at Universiti Teknoloji Mara in 1976, his diploma in banking and finance and Certified Credit Professional I from the Asian Institute of Chartered Bankers in 1992 and 2001, respectively, and his master's degree in business administration from MBA-USA (Off Campus) in 2002.

Andrew Lee Kam Fan

Lee Kam Fan, Andrew, age 59, was appointed as the chief financial officer of the Company on January 12, 2021. Prior to joining the Company, Mr. Lee has approximately 38 years of accounting and finance related experience. Since July 2014, Mr. Lee has been the proprietor of Andrew Lee & Company. Since June 2010, Mr. Lee served as an adjunct lecturer of the HKICPA Processional Examinations Preparatory Programme at HKU Space. From January 2011 to October 2015, Mr. Lee served as the managing director at ANSA CPA Limited. From September 2010 to October 2012, Mr. Lee served as an independent non-executive director at Sunrise (China) Technology Group Limited (currently referred to as KOALA Financial Group Limited (Hong Kong stock code: 08226)). From March 2006 to April 2017, Mr. Lee was in cooperation with Friedman LLP to oversee financial statements are prepared in accordance with U.S. GAAP. From October 2000 to December 2010, Mr. Lee served as an audit manager and subsequently a partner at Clodick & Company. From April 1998 to September 2000, Mr. Lee served as a director at Nitwell Business Services Limited. From August 1994 to April 1998, Mr. Lee was an assistant audit manager at Cheng, Kwok & Chang. From July 1990 to July 1994, Mr. Lee served as an accountant at K.C. Manufacturing Company. From April 1989 to July 1990, Mr. Lee served as an accountant at Haldane, Midgley & Booth. From January 1987 to April 1989, Mr. Lee served as an audit senior at RSM Nelson Wheeler. From October 1985 to December 1986, Mr. Lee served as an audit assistant at Andrew Ma & Company. From April 1983 to September 1985, Mr. Lee served as an audit Clerk at Anthony Y.T. Tse & Company. Mr. Lee is an associate member of the Institute of Chartered Accountants in England and Wales since April 2019, a certified public accountant (practicing) of the Hong Kong Institute of Certified Public Accountants since May 2010, a fellow member of the Association of International Accountants since December 2006, and an associate member and certified tax advisor of the Tax Institute of Hong Kong since July 2010. Mr. Lee received his bachelor's degree in business administration at the Open University of Hong Kong in June 2004 and his master's degree in professional accounting from the Hong Kong Polytechnic University in November 2010.

Corporate Governance

The Company promotes accountability for adherence to honest and ethical conduct; endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the Securities and Exchange Commission (the "SEC") and in other public communications made by the Company; and strives to be compliant with applicable governmental laws, rules and regulations. The Company has not formally adopted a written code of business conduct and ethics that governs the Company's employees, officers and Directors as the Company is not required to do so.

In lieu of an Audit Committee, the Company's Board of Directors, is responsible for reviewing and making recommendations concerning the selection of outside auditors, reviewing the scope, results and effectiveness of the annual audit of the Company's financial statements and other services provided by the Company's independent public accountants. The Board of Directors and the Chief Executive Officer of the Company review the Company's internal accounting controls, practices and policies with advice from third party consultants.

Committees of the Board

Our Company currently does not have nominating, compensation, or audit committees or committees performing similar functions nor does our Company have a written nominating, compensation or audit committee charter.

Audit Committee Financial Expert

Our Board of Directors has determined that we do not have a board member that qualifies as an "audit committee financial expert" as defined in Item 407(D)(5) of Regulation S-K, nor do we have a Board member that qualifies as "independent" as the term is used in Item 7(d)(3)(iv)(B) of Schedule 14A under the Securities Exchange Act of 1934, as amended, and as defined by Rule 4200(a)(14) of the FINRA Rules.

In order to maintain good corporate governance and in view of the Company's planned expansion, the Company plans to establish a full board comprising the nominating, compensation, and audit committees during the year.

Involvement in Certain Legal Proceedings

Our Directors and our Executive officers have not been involved in any of the following events during the past ten years:

1. Bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities or banking activities; or

4. Being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

   (i) Any Federal or State securities or commodities law or regulation; or
   (ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
   (iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity;

8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

We have not adopted a formal Code of Ethics. The Board of Directors evaluated the business of the Company and the number of employees and determined that since the business is operated by a small number of persons, general rules of fiduciary duty and federal and state criminal, business conduct and securities laws are adequate ethical guidelines. In the event our operations, employees and/or Directors expand in the future, we may take actions to adopt a formal Code of Ethics.

Shareholder Proposals

Our Company does not have any defined policy or procedural requirements for shareholders to submit recommendations or nominations for Directors. The Board of Directors believes that, given the stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our Company does not currently have any specific or minimum criteria for the election of nominees to the Board of Directors and we do not have any specific process or procedure for evaluating such nominees. The Board of Directors will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

A shareholder who wishes to communicate with our Board of Directors may do so by directing a written request addressed to our President, at the address appearing on the first page of this Information Statement.

ITEM 11. EXECUTIVE COMPENSATION

Mr. How Kok Choong, the Chief Executive Officer, President, Secretary, Treasurer, Director of the Group received $275,210 and $203,431 as total salaries for the year ended December 31, 2021, and 2020 respectively. Mr. How Kok Choong had not received any (i) Stock compensation; (ii) Option awards, (iii) Non-equity incentive plan compensation, (iv) Non-qualified deferred compensation earnings and (v) Any other compensations.

Mr. Mohd Shaharuddin Bin Abdullah was appointed and entered into an employment agreement with the Company on January 12, 2021 and the employment agreement will take effect on the listing of our stock on NASDAQ Capital Market / New York Stock Exchange.

Mr. Andrew Lee Kam Fan was appointed and entered into an employment agreement with the Company on January 12, 2021. For the financial year ended December 31, 2021, Mr. Andrew Lee Kam Fan received $46,988 as total salary.

Summary of Compensation

<u>Stock Option Grants</u>

We have not granted any stock options to our executive officers since our incorporation.

<u>Employment Agreements</u>

Save except for Mr. Mohd Shaharuddin Bin Abdullah and Mr. Andrew Lee Kam Fan, we do not have an employment or consulting agreement with any officers or Directors.

Compensation Discussion and Analysis

Director Compensation

As the Chief Executive Officer, President, Secretary, Treasurer, Director of the Group, Mr. How Kok Choong is paid a monthly salary of $22,934 (RM 95,000). His salary shall accrue on a day-to-day basis, payable in arrears on the last day of each calendar month, provided that if his employment is terminated prior to the end of a calendar month, his compensation for the month shall be pro-rated to reflect his period of service up to the date of termination.

As executive director of the Company, Mr. Mohd Shaharuddin Bin Abdullah will be paid a monthly salary of $3,000. He is also entitled to receive a stock-based compensation of $60,000 per annum. His compensation, i.e., salary and stock-based compensation shall accrue on a day-to-day basis, payable in arrears on the last day of each calendar month, provided that if his employment is terminated prior to the end of a calendar month, his compensation for the month shall be pro-rated to reflect his period of service up to the date of termination.

As Chief Financial Officer of the Company, Mr. Andrew Lee Kam Fan is paid a monthly salary of $3,870. His salary shall accrue on a day-to-day basis, payable in arrears on the last day of each calendar month, provided that if his employment is terminated prior to the end of a calendar month, his compensation for the month shall be pro-rated to reflect his period of service up to the date of termination.

Executive Compensation Philosophy

Our Board of Directors determines the compensation given to our executive officers in their sole determination. Our Board of Directors reserves the right to pay our executive or any future executives a salary, and/or issue them shares of common stock in consideration for services rendered and/or to award incentive bonuses which are linked to our performance, as well as to the individual executive officer' s performance. This package may also include long-term stock-based compensation to certain executives, which is intended to align the performance of our executives with our long-term business strategies. Additionally, while our Board of Directors has not granted any performance base stock options to date, the Board of Directors reserves the right to grant such options in the future, if the Board in its sole determination believes such grants would be in the best interests of the Company.

Incentive Bonus

The Board of Directors may grant incentive bonuses to our executive officer and/or future executive officers in its sole discretion, if the Board of Directors believes such bonuses are in the Company' s best interest, after analyzing our current business objectives and growth, if any, and the amount of revenue we are able to generate each month, which revenue is a direct result of the actions and ability of such executives.

Long-term, Stock Based Compensation

In order to attract, retain and motivate executive talent necessary to support the Company' s long-term business strategy we may award our executive and any future executives with long-term, stock-based compensation in the future, at the sole discretion of our Board of Directors, which we do not currently have any immediate plans to award.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

As of December 31, 2021, the Company has 290,460,047 shares of common stock issued and outstanding, which number of issued and outstanding shares of common stock have been used throughout this report.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Common Stock Voting Percentage Beneficially Owned	Voting Shares of Preferred Stock	Preferred Stock Voting Percentage Beneficially Owned	Total Voting Percentage Beneficially Owned
Executive Officers and Directors					
How Kok Choong, President, Chief Executive Officer, Secretary, Treasurer and Director; collectively this includes HKC Holdings Sdn. Bhd.*	243,216,637	83.73%	-	-	83.73%
Mohd Shaharuddin Bin Abdullah	-	-	-	-	-
Andrew Lee Kam Fan	-	-	-	-	-

Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act. Under this rule, certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire shares (for example, upon exercise of an option or warrant) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares is deemed to include the amount of shares beneficially owned by such person by reason of such acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the following table does not necessarily reflect the person's actual voting power at any particular date.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE

On June 1, 2016, Mr. How Kok Choong was appointed as CEO, President, Secretary, Treasurer and a member of our Board of Directors. Additionally, on June 1, 2016, the Company issued 100,000 shares of restricted common stock, each with a par value of $0.0001 per share, to Mr. How Kok Choong for initial working capital of $10.

On April 5, 2017, the Company acquired Agape ATP Corporation, a company incorporated in Labuan, Malaysia.

On April 10, 2017, the Company issued 245,000,000 and 70,000,000 shares of restricted common stock to Mr. How Kok Choong and HKC Holdings Sdn Bhd respectively, each with a par value of $0.0001 per share, for total additional working capital of $31,500.

On July 1, 2020, the Company issued 176,547 shares of restricted common stock to Mr. How Kok Choong, with a par value of $0.0001 per share, for total consideration payable by shares by the Company for the acquisition of 99.99% of the equity interest in ASL from Mr. How.

Vettons Sdn Bhd ("Vettons") is an e-commerce company through which ASL conducts some of its distribution activities to its members. On February 1, 2021, Mr. How Kok Choong, our CEO and director, was appointed as the non-executive Chairman of Vettons. As of December 31, 2020, the Company has accounts receivable of $172,757 from Vettons, representing 100% of our accounts receivable.

In December 2021, there were share forfeiture agreements (the "Share Forfeiture Agreements") between the Company and (i) HKC Talent Limited; (ii) various shareholders of the Company (the "Forfeiting Shareholders"), pursuant to which: (i) HKC Talent Limited had agreed to forfeiture of 41,750,000 shares of common stock of the Company, and

(ii) the Forfeiting Shareholders had agreed to forfeiture, in aggregate, 44,242,000 shares of common stock of the Company. Included in (ii) is 11,242,000 shares forfeited from HKC Holdings Sdn. Bhd, a company in which Mr. How Kok Choong, the CEO and director of the Company, is a shareholder. As a result, the outstanding shares was reduced by 85,992,000 shares of common stock.

A share forfeiture agreement (the "Share Forfeiture Agreement") dated January 20, 2022, between the Company and Mr. How Kok Choong, the CEO and director of the Company, pursuant to which Mr. How Kok Choong agreed to forfeit 215,008,035 shares of common stock of the Company.

*HKC Holdings Sdn. Bhd. is owned and controlled by How Kok Choong who is our CEO and Director. As such, HKC Holdings Sdn Bhd is regarded a related party.

With regards to all of the above transactions we claim an exemption from registration afforded by Section 4a(2) and/or Regulation S of the Securities Act of 1933, as amended ("Regulation S") due to the fact that all sales of stock were made to non-U.S. persons (as defined under Rule 902 section (k)(2)(i) of Regulation S), pursuant to offshore transactions, and no directed selling efforts were made in the United States by the issuer, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing.

Related Party Transactions

The Company's related party list and relationship are as follows:

Related parties	Relationships
Agape S.E.A. Sdn Bhd	VIE of Agape Superior Living Sdn Bhd, Mr. How Kok Choong, the CEO and director of the Company is the sole shareholder and director of Agape S.E.A. Sdn Bhd
Agape Superior Living Pty Ltd	Mr. How Kok Choong, the CEO and director of the Company is a 51% shareholder and a director of Agape Superior Living Pty Ltd

Related parties	Relationships
Agape ATP (Asia) Limited	Mr. How Kok Choong, the CEO and director of the Company is also the sole shareholder and director of Agape ATP (Asia) Limited.
Hostastay Sdn. Bhd.	Mr. How Kok Choong, the CEO and director of the Company is also a director of Hostastay Sdn. Bhd.
Redboy Picture Sdn Bhd	Mr. How Kok Choong, the CEO and director of the Company is also a director of Redboy Picture Sdn Bhd.
Vettons Sdn Bhd	Mr. How Kok Choong, the CEO and director of the Company is appointed as the non-executive Chairman of Vettons Sdn Bhd on February 1, 2021.

Related party balances as of December 31, 2021 and 2020 are as per table below:

Amount due from related parties

Name of Related Party	Nature	As of December 31, 2021	As of December 31, 2020
Agape ATP (Asia) Limited (“AATP Asia”)	Expenses paid for AATP Asia	$ 2,214	$ 2,227
Hostastay Sdn. Bhd. (“Hostastay”)	Sublease rent due from Hostastay	4,790	996
TH3 Technology Sdn Bhd	Expenses paid for TH3 Technology	-	12
Total		$ 7,004	$ 3,235

Amount due to a Related Party

Name of Related Party	Nature	As of December 31, 2021	As of December 31, 2020
Agape Superior Living Pty Ltd	ATP Label Printing Fees	$ -	$ 455
Total		$ -	$ 455

Related party transactions for years ended December 31, 2021 and 2020, are as per table below:

Related party transactions

Revenue

Name of Related Party	Nature	For the years ended December 31, 2021		2020	
Agape Superior Living Pty Ltd ("ASLPL")	Sales of products	$	-	$	18,060
Vettons Sdn Bhd*	Sales of products made through its platform		6,625		-
Total		$	6,625	$	18,060

* During the year ended December 31, 2021, we had sales of $6,625 through the online platform owned by Vettons Sdn Bhd ("Vettons"). Vettons is a related party since Mr. How Kok Choong, our CEO and director, is appointed as the non-executive Chairman of Vettons Sdn Bhd on February 1, 2021.

Purchase

Name of Related Party	Relationship	Nature	For the years ended December 31, 2021		2020	
DSY Wellness & Longevity Center Sdn Bhd	Dato' Sri Yap Foo Ching @ Steve Yap, a director of DSY Wellness International Sdn Bhd, is also a director of DSY Wellness & Longevity Center Sdn Bhd.	Purchase	$	718	$	-
Total			$	718	$	-

Commission expense

Name of Related Party	Nature	For the years ended December 31, 2021		2020	
Mr. How Kok Choong*	Commission expense	$	12,758	$	10,740
Total		$	12,758	$	10,740

* Mr. How Kok Choong is the CEO and director of the Company.

Other income

Name of Related Party	Nature	For the years ended December 31, 2021		2020	
Hostastay Sdn. Bhd.	Sublease rental income due from Hostastay	$	4,345	$	2,881
Total		$	4,345	$	2,881

Review, Approval and Ratification of Related Party Transactions

Given our small size and limited financial resources, we have not adopted formal policies and procedures for the review, approval or ratification of transactions, such as those described above, with our executive officer(s), Director(s) and significant stockholders. We intend to establish formal policies and procedures in the future, once we have sufficient resources and have appointed additional Directors, so that such transactions will be subject to the review, approval or ratification of our Board of Directors, or an appropriate committee thereof. Until formal policies and procedures are put in place, our Directors will continue to approve any related party transaction.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Friedman LLP is our independent auditor and tax accountant for the year ended December 31, 2021 and 2020.

Below is the aggregate amount of fees billed for professional services rendered by our principal accountants with respect to our last two fiscal years.

	For the years ended December 31,	
	2021	2020
Audit fees	$ 395,000	$ 245,000
Tax fees	16,500	28,000
Total	$ 411,500	$ 273,000

The category of "Audit fees" includes fees for our annual audit, quarterly reviews and services rendered in connection with regulatory filings with the SEC, such as the issuance of comfort letters and consents.

The category of "Tax fees" includes professional services rendered by our principal accountant for tax compliance, tax advice, and tax planning.

All of the professional services rendered by principal accountants for the audit of our annual financial statements that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for last two fiscal years were approved by our board of directors.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements

The following are filed as part of this report:

Financial Statements

The following financial statements of AGAPE ATP Corporation. and Report of Independent Registered Public Accounting Firm are presented in the "F" pages of this Report:

(b) Exhibits

The following exhibits are filed or "furnished" herewith:

3.1 Articles of Incorporation**

3.2 Bylaws**

31.1 Rule 13(a)-14(a)/15(d)-14(a) Certification of principal executive officer and principal financial officer*

32.1 Section 1350 Certification of principal executive officer and principal financial officer*

101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)*

* Filed herewith.

** As filed in the Registrant's Registration Statement on Form S-1 Amendment No.2 (File No. 333-220144) on October 26, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AGAPE ATP CORPORATION.
(Name of Registrant)

Date: March 28, 2022

By: ***/s/ How Kok Choong***
HOW KOK CHOONG
Title: Chief Executive Officer, President, Secretary, Treasurer, Director
Principal Executive Officer

Date: March 28, 2022

By: */s/ Andrew Lee Kam Fan*
LEE KAM FAN
Title: Chief Financial Officer

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Agape ATP Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Agape ATP Corporation (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity and cash flows for the years ended December 31, 2021 and 2020, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated 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 the years ended December 31, 2021 and 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Friedman LLP

We have served as the Company's auditor since 2019

New York, New York
March 28, 2022

AGAPE ATP CORPORATION
CONSOLIDATED BALANCE SHEETS
(Currency expressed in United States Dollars ("US$"), except for number of shares)

	As of December 31, 2021	As of December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Included $17,493 and $37,387 in the consolidated VIE that can be used only to settle obligations of the consolidated VIE as of December 31, 2021 and 2020, respectively.)	$ 2,597,848	$ 3,517,600
Accounts receivable	-	172,757
Amount due from related parties	7,004	3,235
Inventories	375,535	589,814
Prepaid taxes (Included $1,357 and $11,330 in the consolidated VIE that can be used only to settle obligations of the consolidated VIE as of December 31, 2021 and 2020, respectively.)	636,218	1,104,495
Prepayments and deposits	295,517	296,370
Total Current Assets	3,912,122	5,684,271
OTHER ASSETS		
Property and equipment, net	215,799	298,309
Intangible assets, net	3,660	5,826
Operating right-of-use assets	237,718	394,141
Investment in marketable securities	89,001	577,035
Investment in non-marketable securities	1,500	1,500
Deferred offering costs	264,735	249,525
Total other assets	812,413	1,526,336
TOTAL ASSETS	$ 4,724,535	$ 7,210,607
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 13,715	$ -
Customer deposits	279,689	236,134
Operating lease liabilities	157,094	154,276
Other payables and accrued liabilities ($1,548 and $1,904 are included in the consolidated VIE that are without recourse to the credit of Agape ATP Corporation as of December 31, 2021 and 2020, respectively.)	858,355	647,677
Income tax payable	3,988	-
Amount due to a related party	-	455
Total Current Liabilities	1,312,841	1,038,542
NON-CURRENT LIABILITIES		
Operating lease liabilities	$ 83,484	$ 241,488
Deferred tax liabilities	15,574	5,743
Total Non-current Liabilities	99,058	247,231
TOTAL LIABILITIES	$ 1,411,899	$ 1,285,773
STOCKHOLDERS' EQUITY		
Preferred stock, $0.0001 par value; 200,000,000 shares authorized; None issued and outstanding	-	-
Common Stock, par value $0.0001; 1,000,000,000 shares authorized, 290,460,047 and 376,452,047 shares issued and outstanding as of December 31, 2021 and 2020, respectively.	29,046	37,645
Additional paid in capital	6,449,215	6,440,616
Accumulated deficit	(3,258,687)	(734,443)
Accumulated other comprehensive income	93,398	181,016
TOTAL AGAPE CORPORATION STOCKHOLDERS' EQUITY	3,312,972	5,924,834
NON-CONTROLLING INTERESTS	(336)	-
TOTAL EQUITY	3,312,636	5,924,834
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,724,535	$ 7,210,607

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

AGAPE ATP CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Currency expressed in United States Dollars ("US$"), except for number of shares)

	For the years ended December 31,	
	2021	**2020**
REVENUE	$ 1,016,962	$ 3,434,561
REVENUE - RELATED PARTY	-	18,060
TOTAL REVENUE	**1,016,962**	**3,452,621**
COST OF REVENUE	(297,333)	(775,855)
GROSS PROFIT	719,629	2,676,766
SELLING	(394,682)	(376,582)
COMMISSION	(316,267)	(830,659)
GENERAL AND ADMINISTRATIVE	(1,745,734)	(1,627,660)
PROVISION FOR DOUBTFUL ACCOUNTS	(121,514)	-
TOTAL OPERATING EXPENSES	(2,578,197)	(2,834,901)
LOSS FROM OPERATIONS	**(1,858,568)**	**(158,135)**
OTHER (EXPENSES) INCOME		
Other (Expenses) Income, net	(42,753)	164,283
Unrealized holding (loss) gain on marketable securities	(505,231)	350,137
Dividend income from marketable securities	18,939	160,062
TOTAL OTHER (EXPENSES) INCOME, NET	(529,045)	674,482
(LOSS) INCOME BEFORE INCOME TAXES	(2,387,613)	516,347
PROVISION FOR INCOME TAXES	(137,067)	(161,581)
NET (LOSS) INCOME	**(2,524,680)**	**354,766**
NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	436	-
NET (LOSS) INCOME ATTRIBUTABLE TO AGAPE ATP CORPORATION	**$ (2,524,244)**	**$ 354,766**
NET (LOSS) INCOME	**$ (2,524,680)**	**$ 354,766**
OTHER COMPREHENSIVE (LOSS) INCOME		
Foreign currency translation adjustment	(87,615)	171,231
TOTAL COMPREHENSIVE (LOSS) INCOME	(2,612,295)	525,997
Less: Comprehensive loss attributable to non-controlling interests	(433)	-
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO AGAPE ATP CORPORATION	**$ (2,611,862)**	**$ 525,997**
(LOSS) EARNINGS PER SHARE		
Basic and diluted	$ (0.01)	$ 0.00
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic and diluted	**376,216,452**	**376,387,778**

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

AGAPE ATP CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Currency expressed in United States Dollars ("US$"), except for number of shares)

	COMMON STOCK						
	Number of shares	Par value	ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME	NON-CONTROLLING INTERESTS	TOTAL STOCKHOLDERS' EQUITY
Balance as of December 31, 2019	376,275,500	$37,628	$ 5,293,082	$ (1,089,209)	$ 9,785	$ –	$ 4,251,286
Net income	–	–	–	354,766	–	–	354,766
Issuance of common stock in connection with acquisition of Agape Superior Living Sdn Bhd	176,547	17	1,147,534	–	–	–	1,147,551
Foreign currency translation adjustment	–	–	–	–	171,231	–	171,231
Balance as of December 31, 2020	376,452,047	37,645	6,440,616	(734,443)	181,016	–	5,924,834
Forfeiture of common stock	(85,992,000)	(8,599)	8,599	–	–	–	–
Contributions from non-controlling interest shareholders	–	–	–	–	–	97	97
Net loss	–	–	–	(2,524,244)	–	(436)	(2,524,680)
Foreign currency translation adjustment	–	–	–	–	(87,618)	3	(87,615)
Balance as of December 31, 2021	290,460,047	$29,046	$ 6,449,215	$ (3,258,687)	$ 93,398	$ (336)	$ 3,312,636

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

AGAPE ATP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Currency expressed in United States Dollars ("US$"))

	For the years ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (2,524,680)	$ 354,766
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation	75,797	55,407
Amortization	1,961	1,505
Amortization of operating right-of-use assets	139,451	106,561
Unrealized holding loss (gain) on marketable securities	505,231	(350,137)
Dividend income from marketable securities	(18,939)	(160,062)
Deferred tax expense	10,127	178,329
Inventory write-down	36,241	-
Provision for doubtful accounts	121,514	-
Changes in operating assets and liabilities:		
Accounts receivables	167,566	(165,149)
Amount due from a related party	-	(2,417)
Inventories	192,713	78,674
Prepaid taxes	430,062	184,985
Prepayments and deposits	(128,363)	352,577
Accounts payable	-	(2,804)
Customer deposits	52,981	(1,421,886)
Other payables and accrued liabilities	226,651	336,709
Operating lease liabilities	(138,143)	(105,009)
Income tax payables	3,988	-
Net cash used in operating activities	**(845,842)**	**(557,951)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(3,959)	(4,734)
Purchase of intangible assets	-	(178)
Cash and cash equivalent acquired through acquisition of Agape Superior Living Sdn Bhd	-	1,210,818
Proceeds from sale of marketable securities	-	121
Proceeds from sale of non-marketable securities to a related party	-	70,173
Net cash (used in) provided by investing activities	**(3,959)**	**1,276,200**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Deferred offering costs	(15,210)	(249,525)
(Advances to) Repayments from related parties	(3,851)	227,434
Net cash used in financing activities	(19,061)	(22,091)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	**(50,890)**	**76,985**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(919,752)	773,143
CASH AND CASH EQUIVALENTS, beginning of year	3,517,600	2,744,457
CASH AND CASH EQUIVALENTS, end of year	**$ 2,597,848**	**$ 3,517,600**
SUPPLEMENTAL CASH FLOWS INFORMATION		
Income taxes paid	$ 326,838	$ 288,929
Interest paid	$ -	$ -
SUPPLEMENTAL NON-CASH FLOWS INFORMATION		
Changes in right-of-use assets and lease liabilities due to lease modifications	$ 3,250	$ -
Initial recognition of right-of-use assets and lease liabilities	$ -	$ 483,343
Sale of non-marketable securities to a related party in exchange for acquisition payment of ASL	$ -	$ 656,495
Issuance of common stock in exchange for acquisition payment of ASL	$ -	$ 1,147,551

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

AGAPE ATP CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Currency expressed in United States Dollars ("US$"), except for number of shares)

1. ORGANIZATION AND BUSINESS BACKGROUND

Agape ATP Corporation, a Nevada corporation ("the Company") was incorporated under the laws of the State of Nevada on June 1, 2016.

Agape ATP Corporation operates through its subsidiaries, namely, Agape ATP Corporation, a company incorporated in Labuan, Malaysia, and Agape Superior Living Sdn. Bhd. ("ASL"), a company incorporated in Malaysia. .

Agape ATP Corporation, incorporated in Labuan, Malaysia, is an investment holding company with 100% equity interest in Agape ATP International Holding Limited, a company incorporated in Hong Kong.

On May 8, 2020, the Company entered into a Share Exchange Agreement with Mr. How Kok Choong, CEO and director of the Company to acquire 9,590,596 ordinary shares, no par value, equivalent to approximately 99.99% of the equity interest in Agape Superior Living Sdn. Bhd., a network marketing entity incorporated in Malaysia.

Agape Superior Living Sdn. Bhd. is a limited company incorporated on August 8, 2003, under the laws of Malaysia.

On September 11, 2020, the Company incorporated Wellness ATP International Holdings Sdn, Bhd. ("WATP"), a wholly owned subsidiary under the laws of Malaysia, to pursue the business of promoting wellness and wellbeing lifestyle of the community by providing services that includes online editorials, programs, events and campaigns on how to achieve positive wellness and lifestyle.

On November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. ("DSY Wellness") with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies.

The Company and its subsidiaries are principally engaged in the Health and Wellness Industry. The principal activity of the Company is to supply high-quality health and wellness products, including supplements to assist in cell metabolism, detoxification, blood circulation, anti-aging and products designed to improve the overall health system of the human body and various wellness programs.
The accompanying consolidated financial statements reflect the activities of the Company, AATP LB, AATP HK, WATP, ASL and its variable interest entity ("VIE"), Agape S.E.A. Sdn. Bhd. ("SEA") (See Note 3), and DSY Wellness.

Details of the Company's subsidiaries:

	Subsidiary company name	Place and date of incorporation	Particulars of issued capital	Principal activities	Proportional of ownership interest and voting power held
1.	Agape ATP Corporation	Labuan, March 6, 2017	100 shares of ordinary share of US$1 each	Investment holding	100%
2.	Agape ATP International Holding Limited	Hong Kong, June 1, 2017	1,000,000 shares of ordinary share of HK$1 each	Wholesaling of health and wellness products; and health solution advisory services	100%
3.	Agape Superior Living Sdn. Bhd.	Malaysia, August 8, 2003	9,590,598 shares of ordinary share of RM1 each	Health and wellness products and health solution advisory services via network marketing	99.99%
4.	Agape S.E.A. Sdn. Bhd.	Malaysia, March 4, 2004	2 shares of ordinary share of RM1 each	VIE of Agape Superior Living Sdn. Bhd.	VIE
5.	Wellness ATP International Holdings Sdn, Bhd	Malaysia, September 11, 2020	100 shares of ordinary share of RM1 each	The promotion of wellness and wellbeing lifestyle of the community by providing services that	100%

				includes online editorials, programs, events and campaigns	
6.	DSY Wellness International Sdn Bhd.	Malaysia, November 11, 2021	1,000 shares of ordinary share of RM1 each	Provision of complementary health therapies	60%

1. ORGANIZATION AND BUSINESS BACKGROUND (CONT'D)

Business Overview

Agape ATP Corporation is a company that provides health and wellness products and health solution advisory services to our clients. The Company primarily focus its efforts on attracting customers in Malaysia. Its advisory services center on the "ATP Zeta Health Program", which is a health program designed to effectively prevent diseases caused by polluted environments, unhealthy dietary intake and unhealthy lifestyles, and promotion of health. The program aims to promote improved health and longevity in our clients through a combination of modern medicine, proper nutrition and advice from skilled nutritionists and/or dieticians.

In order to strengthen the Company's supply chain, on May 8, 2020, the Company has successfully acquired approximately 99.99% of ASL, with the goal of securing an established network marketing sales channel that has been established in Malaysia for the past 15 years. ASL has been offering the Company's ATP Zeta Health Program as part of its product lineup. As such, the acquisition creates synergy in the Company's operation by boosting the Company's retail and marketing capabilities. The newly acquired subsidiary allows the Company to fulfill its mission of "helping people to create health and wealth" by providing a financially rewarding business opportunity to distributors and quality products to distributors and customers who seek a healthy lifestyle.

Via ASL, the Company offers three series of programs which consist of different services and products: ATP Zeta Health Program, ÉNERGÉTIQUE and BEAUNIQUE.

The ATP Zeta Health Program is a health program designed to promote health and general wellbeing designed to prevent health diseases caused by polluted environments, unhealthy dietary intake and unhealthy lifestyles. The program aims to promote improved health and longevity through a combination of modern health supplements, proper nutrition and advice from skilled dieticians as well as trained members and distributors.

The ÉNERGÉTIQUE series aims to provide a total dermal solution for a healthy skin beginning from the cellular level. The series is comprised of the Energy Mask series, Hyaluronic Acid Serum and Mousse Facial Cleanser.

The BEAUNIQUE product series focuses on the research of our diet's impact on modifying gene expressions in order to address genetic variations and deliver a nutrigenomic solution for every individual.

The Company deems creating public awareness on wellness and wellbeing lifestyle as essential to enhance the provision of its health solution advisory services; and therefore, incorporated WATP. Upon its establishment, WATP started collaborating with ASL to carry out various wellness programs.

To further its reach in the Health and Wellness Industry, on November 11, 2021, Agape ATP Corporation (Labuan) formed a joint-venture entity, DSY Wellness International Sdn. Bhd. ("DSY Wellness") with an independent third party which Agape ATP Corporation (Labuan) owns 60% of the equity interest, to pursue the business of providing complementary health therapies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for information pursuant to the rules and regulations of the Securities Exchange Commission ("SEC").

The consolidated financial statements include the financial statements of the Company, its subsidiaries and its VIE over which the Company exercises control and, where applicable, entities for which the Company has a controlling financial interest or is the primary beneficiary. All transactions and balances among the Company, its subsidiaries and its VIE have been eliminated upon consolidation.

Principles of consolidation

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

A VIE is an entity that has either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest, such as through voting rights, right to receive the expected residual returns of the entity or obligation to absorb the expected losses of the entity. The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary and must consolidate the VIE.

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 and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods presented. Significant accounting estimates reflected in the Company' s consolidated financial statements include allowance for doubtful accounts, allowance for inventories obsolescence, useful lives of property and equipment, useful lives of intangible assets, impairment of long-lived assets, allowance for deferred tax assets, operating right-of-use assets, operating lease liabilities and uncertain tax position and impairment of investment in non-marketable securities. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, time deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Accounts receivable

Accounts receivable are recorded at the invoiced amount less an allowance for any uncollectible accounts and do not bear interest, which are due on credit term. Accounts receivable also include money due from a third-party e-commerce platform acting as a collection agent for the Company on the sales through their platform. Management reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical collection trends and aging of receivables. Management also periodically evaluates individual customer's financial condition, credit history, and the current economic conditions to make adjustments in the allowance when it is considered necessary. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company's management continues to evaluate the reasonableness of the valuation allowance policy and update it if necessary. As of December 31, 2021 and 2020, no allowance of doubtful accounts was recorded.

Inventories

Inventories consist of finished goods and are stated at the lower of cost or net realizable value using the first-in first-out method. Management reviews inventory on hand for estimated obsolescence or unmarketable items, as compared to future demand requirements and the shelf life of the various products. Based on the review, the Company records inventory write-downs, when necessary, when costs exceed expected net realizable value. For the years ended December 31, 2021, and 2020, the company recorded $36,241 and $0 write-downs for inventory.

Prepaid taxes

Prepaid taxes include prepaid income taxes that will either be refunded or utilized to offset future income tax.

Prepayments and deposits

Prepayments and deposits are mainly cash deposited or advanced to suppliers for future inventory purchases or service providers for future services. This amount is refundable and bears no interest. For any prepayments and deposits determined by management that such advances will not be in receipts of inventories, services, or refundable, the Company will recognize an allowance account to reserve such balances. Management reviews its prepayments and deposits on a regular basis to determine if the 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's management continues to evaluate the reasonableness of the valuation allowance policy and update it if necessary. As of December 31, 2021 and 2020, there was $121,514 and $0 allowance for the doubtful accounts recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets with no residual value. The estimated useful lives are as follows:

	Useful Life
Computer and office equipment	5-7 years
Furniture & fixtures	6-7 years
Leasehold improvements	Lease Term
Vehicle	5 years

The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts and any gain or loss is included in the consolidated statements of income and comprehensive income. Expenditures for maintenance and repairs are charged to earnings as incurred, while additions, renewals and betterments, which are expected to extend the useful life of assets, are capitalized. The Company also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

Intangible assets, net

Intangible assets, net, are stated at cost, less accumulated amortization. Amortization expense is recognized on the straight-line basis over the estimated useful lives of the assets as follows:

Classification	Useful Life
Computer software	5 years

Impairment for long-lived assets

Long-lived assets, including property and equipment, and intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. The Company assesses the recoverability of the assets based on the undiscounted future cash flows the assets are expected to generate and recognize an impairment loss when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. If an impairment is identified, the Company would reduce the carrying amount of the asset to its estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values. As of December 31, 2021 and 2020, no impairment of long-lived assets was recognized.

Deferred offering costs

Deferred offering costs represents costs associated with the Company's current offering which will be netted against the proceeds from the Company's current offering.

Investment in marketable equity securities

The Company follows the provisions of ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. Investments in marketable equity securities (non-current) are reported at fair value with changes in fair value recognized in the Company's unaudited condensed consolidated statements of operations and comprehensive loss in the caption of "unrealized holding gain loss on marketable securities" in each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment in non-marketable equity securities

The Company follows the provisions of ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. Due to the Company's non-marketable equity securities (non-current) does not qualify for the practical expedient to estimate fair value in accordance with ASC 820-10-35-59, the Company has selected to record its investments in non-marketable equity securities (non-current) at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issue.

At each reporting period, the Company will make a qualitative assessment considering impairment indicators to evaluate whether the investment is impaired. The qualitative assessment indicators include, but are not limited to: (1) A significant deterioration in the earnings performance, credit rating, asset quality, or business prospects of the investee; (ii) A significant adverse change in the regulatory, economic, or technological environment of the investee; (iii) A significant adverse change in the general market condition of either the geographical area or the industry in which the investee operates; (iv) A bona fide offer to purchase, an offer by the investee to sell, or a completed auction process for the same or similar investment for an amount less than the carrying amount of that investment; and (v) Factors that raise significant concerns about the investee's ability to continue as a going concern, such as negative cash flows from operations, working capital deficiencies, or noncompliance with statutory capital requirements or debt covenants. If the qualitative assessment indicators indicated that the non-marketable equity securities (non-current) is deemed to be impaired, the Company would recognize the impairment loss equal to the difference between the fair value of the investment and its carrying amount.

Customer deposits

Customer deposits represent amounts advanced by customers on product orders and discounted value of unapplied coupons. Customer deposits are reduced when the related sale is recognized in accordance with the Company's revenue recognition policy.

Revenue recognition

The Company adopted Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (ASC Topic 606). The core principle underlying the revenue recognition of this ASU allows the Company to recognize - revenue that represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. This will require the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The Company's revenue streams are recognized at a point in time for the Company's sale of health and wellness products.

The ASU requires the use of a new five-step model to recognize revenue from customer contracts. The five-step model requires that the Company (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

The Company accounts for a contract with a customer when the contract is committed in writing, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of substantially collection.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Sales of Health and Wellness products

- *Performance obligations satisfied at a point in time*

The Company derives its revenues from sales contracts with its customers with revenues being recognized when control of the health and wellness products are transferred to its customer at the Company's office or shipment of the goods. The revenue is recorded net of estimated discounts and return allowances. Products are given 60 days for returns or exchanges from the date of purchase. Historically, there were insignificant sales returns.

The Company also sells coupons to its customers for cash at a discounted price of the value of the coupons. Customers can apply the value of the coupons for a reduction in the transaction price paid by the customer are recorded as a reduction of sales. The cash proceeds resulted from the sale of coupons are recognized as customer deposits until the coupons to be applied as a reduction of the health and wellness products transaction price upon such sales transactions occurred. The Company's coupons have a validity period of six months. If the Company's customers did not utilize the coupons after six months, the Company would recognize the forfeiture of the originated sales value of the coupons as net revenues. For the years ended December 31, 2021 and 2020, the Company recognized $15,209 and $170,431 as forfeited coupon income.

As of December 31, 2021, the Company had contracts for the sales of health and wellness products amounting to $183,816 which it is expected to fulfill within 12 months from December 31, 2021.

Sales of Health and Wellness services

- *Performance obligations satisfied at a point in time*

The Company carries out its Wellness program, where the Company's products are bundled with health screening test and a health camp program. The health screening test and the health camp programs are considered as separate performance obligations. The promises to deliver the health screening test report and the attendance at the health camp are separately identifiable, which are evidenced by the fact that the Company provides separate services of delivering the health screening test report and allowing admission of the customers to attend the health camp. The Company derives its revenues from sales contracts with its customers with revenues being recognized when the test reports are completed and delivered to its customers during the consultation section in person.

The Company also separately derives its revenues from sales contracts with its customers with revenues being recognized when the health camp program was completed in the final day of the health camp. For the years ended December 31, 2021 and 2020, revenues from health and wellness services are $7,543 and $0, respectively.

(Currency expressed in United States Dollars (“US$”), except for number of shares)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

Disaggregated information of revenues by products and services are as follows:

	For the years ended December 31,	
	2021	2020
Survivor Select	$ 83,904	$ 149,897
Energized Mineral Concentrate	52,047	81,481
Ionized Cal-Mag	39,527	908,964
Omega Blend	222,718	495,567
BetaMaxx	208,043	156,550
Vege Fruit Fiber	65,757	1,755
Iron	28,114	133,389
Young Formula	52,425	653,631
Organic Youth Care Cleansing Bar	5,137	43,127
Mitogize	183,800	162,801
No. 1 MED	15,331	46,713
Energetique	25,574	253,396
Trim+	27,042	365,350
Total revenues - products	1,009,419	3,452,621
Health and Wellness services	7,543	-
Total revenues	$ 1,016,962	$ 3,452,621

Cost of revenue

Cost of revenue includes freight-in, the purchase cost of manufactured goods for sale to customers, and inventory write-downs. Cost of revenue amounted to $297,333 (including inventory write-downs of $36,241) and $775,855 for the years ended December 31, 2021 and 2020, respectively.

Shipping and handling

Shipping and handling charges amounted to $11,054 and $9,315 for the years ended December 31, 2021 and 2020, respectively. Shipping and handling charges are expensed as incurred and included in selling expenses.

Advertising costs

Advertising costs amounted to $20,218 and $14,339 for the years ended December 31, 2021 and 2020, respectively. Advertising costs are expensed as incurred and included in selling expenses.

Commission expenses

Commission expenses are the Company’ s most significant expenses. As with all companies in the network marketing industry, the Company’ s sales channel is external to the Company. The Company’ s “external sales force” is stratified into two levels based on priority recruitment. First, there are sales distributors. Second, all members recruited by a sales distributor, directly or indirectly, are referred to as “sales network members” . The Company pays commission to every sales distributor based on purchases made by its sales network members which includes the independent

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

direct sales members. Top performing distributors with their own physical stores may also become stockists of the Company, whereby they enjoy benefits such as maintaining a certain amount of the Company's inventory on their store premises. The stockists shall account to the Company for all products sales from their store premises as monitored through the Company's centralized stock tracking system. The Company pays a separate commission to stockists based on revenue generated from the stockists' physical stores. Commission expenses amounted to $316,267 and $830,659 for the years ended December 31, 2021 and 2020, respectively.

Defined contribution plan

The full-time employees of the Company are entitled to the government mandated defined contribution plan. The Company is required to accrue and pay for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant government regulations, and make cash contributions to the government mandated defined contribution plan. Total expenses for the plans were $99,488 and $75,802 for the years ended December 31, 2021 and 2020, respectively.

The related contribution plans include:

- Social Security Organization ("SOSCO") - 1.75% based on employee's monthly salary capped of RM 4,000;
- Employees Provident Fund ("EPF") - 12% based on employee's monthly salary;
- Employment Insurance System ("EIS") - 0.2% based on employee's monthly salary capped of RM 4,000;
- Human Resource Development Fund ("HRDF") - 1% based on employee's monthly salary

Income taxes

The Company accounts for income taxes in accordance with U.S. GAAP for income taxes. The charge for taxation is based on the results for the fiscal 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 taxes is accounted for using the asset and 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 used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized. 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, in which case the deferred tax is also dealt with in 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. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. $395 and $0 penalties and interest incurred related to underpayment of income tax for the years ended December 31, 2021 and 2020, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

The Company conducts much of its business activities in Hong Kong and Malaysia and is subject to tax in each of their jurisdictions. As a result of its business activities, the Company will file separate tax returns that are subject to examination by the foreign tax authorities.

Comprehensive income (loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under GAAP are recorded as an element of stockholders' equity but are excluded from net income. Other comprehensive income (loss) consists of a foreign currency translation adjustment resulting from the Company not using the U.S. dollar as its functional currencies.

Non-controlling interest

Non-controlling interest consists of 40% of the equity interests of DSY Wellness held by an individual and approximately 0.01% (2 ordinary shares out of 9,590,598 shares) of the equity interests of ASL held by two individuals. The non-controlling interests are presented in the consolidated balance sheets, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Company are presented on the face of the consolidated statements of operations as an allocation of the total income or loss for the periods between non-controlling interest holders and the shareholders of the Company.

Earnings (loss) per share

The Company computes earnings (loss) per share (“EPS”) in accordance with ASC 260, “Earnings per Share” . ASC 260 requires companies to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average ordinary share outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of the potential ordinary shares (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 shares 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 EPS. For the years ended December 31, 2021 and 2020, there were no dilutive shares.

Foreign currencies translation and transaction

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at 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 at the balance sheet dates. The resulting exchange differences are recorded in the consolidated statements of operations and comprehensive income (loss).

The reporting currency of the Company is United States Dollars (“US$”) and the accompanying financial statements have been expressed in US$. The Company’ s subsidiary in Labuan maintains its books and record in United States Dollars (“US$”) albeit its functional currency being the primary currency of the economic environment in which the entity operates, which is the Malaysian Ringgit (“MYR” or “RM”). The Company’ s subsidiary in Hong Kong maintains its books and record in Hong Kong Dollars (“HK$”), similar to its functional currency. The Company’ s subsidiary and VIE in Malaysia conducts its businesses and maintains its books and record in the local currency, Malaysian Ringgit (“MYR” or “RM”), as its functional currency.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In general, for consolidation purposes, assets and liabilities of its subsidiaries whose functional currency is not US$ are translated into US$, in accordance with ASC Topic 830-30, *"Translation of Financial Statement"*, 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 financial statements of foreign subsidiary are recorded as a separate component of accumulated other comprehensive income within the statements of stockholders' equity. Cash flows are also translated at average translation rates for the periods, therefore, amounts reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the consolidated balance sheets.

Translation of foreign currencies into US$1 have been made at the following exchange rates for the respective periods:

	As of December 31,	
	2021	**2020**
Period-end MYR : US$1 exchange rate	4.18	4.02
Period-end HKD : US$1 exchange rate	7.80	7.75

	For the years ended December 31,	
	2021	**2020**
Period-average MYR : US$1 exchange rate	4.14	4.20
Period-average HKD : US$1 exchange rate	7.77	7.76

Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

Fair value of financial instruments

The accounting standard regarding fair value of financial instruments and related fair value measurements defines financial instruments and requires disclosure of the fair value of financial instruments held by the Company.

The accounting standards define fair value, establish a three-level valuation hierarchy for disclosures of fair value measurement and enhance disclosure requirements for fair value measures. The three levels are defined as follow:

- 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.

Financial instruments included in current assets and current liabilities are reported in the consolidated balance sheets at face value or cost, which approximate fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rates of interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

The Company adopts ASU 2016-02, "Leases" (Topic 842), and elected the practical expedients that does not require the Company to reassess: (1) whether any expired or existing contracts are, or contain, leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases. For lease terms of twelve months or fewer, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. The Company also adopts the practical expedient that allows lessees to treat the lease and non-lease components of a lease as a single lease component. Some of the Company' s leases include one or more options to renew, which is typically at the Company' s sole discretion. The Company regularly evaluates the renewal options, and, when it is reasonably certain of exercise, it will include the renewal period in its lease term. New lease modifications result in re-measurement of the right of use ("ROU") assets and lease liabilities. Operating ROU assets and lease liabilities are recognized at the commencement date, based on the present value of lease payments over the lease term. Since the implicit rate for the Company' s leases is not readily determinable, the Company use its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, on a collateralized basis, an amount equal to the lease payments, in a similar economic environment and over a similar term.

Lease terms used to calculate the present value of lease payments generally do not include any options to extend, renew, or terminate the lease, as the Company does not have reasonable certainty at lease inception that these options will be exercised. The Company generally considers the economic life of its operating lease ROU assets to be comparable to the useful life of similar owned assets. The Company has elected the short-term lease exception, therefore operating lease ROU assets and liabilities do not include leases with a lease term of twelve months or less. Its leases generally do not provide a residual guarantee. The operating lease ROU asset also excludes lease incentives. Lease expense is recognized on a straight-line basis over the lease term.

The Company reviews the impairment of its ROU assets consistent with the approach applied for its other long-lived assets. The Company reviews the recoverability of its long-lived assets when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on its ability to recover the carrying value of the asset from the expected undiscounted future pre-tax cash flows of the related operations. The Company has elected to include the carrying amount of operating lease liabilities in any tested asset group and includes the associated operating lease payments in the undiscounted future pre-tax cash flows.

Recent accounting pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of such any pronouncements may be expected to cause a material impact on its financial condition or the results of its operations, as follow:

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments— Credit Losses—Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In November 2019, the FASB issued ASU No. 2019-10, which to update the effective date of ASU No. 2016-13 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The new effective date for these preparers is for fiscal years beginning after December 15, 2022. ASU 2019-05 is effective for the Company for annual and interim reporting periods beginning January 1, 2023 as the Company is qualified as a smaller reporting company. The Company is currently evaluating the impact ASU 2019-05 may have on its consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01 to clarify the interaction of the accounting for equity securities under ASC 321 and investments accounted for under the equity method of accounting in ASC 323 and the accounting for certain forward contracts and purchased options accounted for under ASC 815. With respect to the interactions between ASC 321 and ASC 323, the amendments clarify that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting when applying the measurement alternative in ASC 321, immediately before applying or upon discontinuing the equity method of accounting. With respect to forward contracts or purchased options to purchase securities, the amendments clarify that when applying the guidance in ASC 815-10-15-141(a), an entity should not consider whether upon the settlement of the forward contract or exercise of the purchased option, individually or with existing investments, the underlying securities would be accounted for under the equity method in ASC 323 or the fair value option in accordance with ASC 825. The ASU is effective for interim and annual reporting periods beginning after December 15, 2020. Early adoption is permitted, including adoption in any interim period. The adoption of this standard on January 1, 2021 did not have a material impact on its consolidated financial statements.

In October 2020, the FASB issued ASU 2020-08, "Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs". The amendments in this Update represent changes to clarify the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. ASU 2020-08 is effective for the Company for annual and interim reporting periods beginning January 1, 2021. Early application is not permitted. All entities should apply the amendments in this Update on a prospective basis as of the beginning of the period of adoption for existing or newly purchased callable debt securities. These amendments do not change the effective dates for Update 2017-08. The adoption of this standard on January 1, 2021 did not have a material impact on its consolidated financial statements.

In October 2020, the FASB issued ASU 2020-10, "Codification Improvements". The amendments in this Update represent changes to clarify the Codification or correct unintended application of guidance that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. The amendments in this Update affect a wide variety of Topics in the Codification and apply to all reporting entities within the scope of the affected accounting guidance. ASU 2020-10 is effective for annual periods beginning after December 15, 2020 for public business entities. Early application is permitted. The amendments in this Update should be applied retrospectively. The adoption of this standard on January 1, 2021 did not have a material impact on its consolidated financial statements.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

3. VARIABLE INTEREST ENTITY ("VIE")

SEA is a trading company incorporated on March 4, 2004, under the laws of Malaysia. SEA provided majority of ASL's purchases. Its equity at risk was insufficient to finance its activities and 100% of its business is transacted with ASL. Therefore, it was considered to be a VIE and ASL is the primary beneficiary since it has both of the following characteristics:

a. The power to direct the activities of the VIE that most significantly impact the VIE's economic performance; and
b. The obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Accordingly, the accounts of SEA is consolidated in the accompanying financial statements.

The carrying amount of the VIE's assets and liabilities were as follows:

	As of December 31, 2021	As of December 31, 2020
Current assets	$ 18,850	$ 48,717
Current liabilities	(51,272)	(53,573)
Net deficit	$ (32,422)	$ (4,856)

	As of December 31, 2021	As of December 31, 2020
Current assets:		
Cash	$ 17,493	$ 37,387
Prepaid taxes	1,357	11,330
Total current assets	$ 18,850	$ 48,717
Current liabilities:		
Accounts payable - intercompany	$ 49,724	$ 51,669
Other payables and accrued liabilities	1,548	1,904
Total current liabilities	$ 51,272	$ 53,573
Net deficit	$ (32,422)	$ (4,856)

The summarized operating results of the VIE's are as follows:

	For the years ended December 31, 2021	For the years ended December 31, 2020
Operating revenues	$ -	$ 346,907
Gross profit	$ -	$ 4,442
Loss from operations	$ (21,966)	$ (10,752)
Net loss	$ (27,966)	$ (24,014)

(Currency expressed in United States Dollars ("US$"), except for number of shares)

4. BUSINESS COMBINATION

On May 8, 2020, the Company entered into a Share Exchange Agreement ("SPA") with Mr. How Kok Choong, CEO and director of the Company to acquire 9,590,596 ordinary shares, no par value, equivalent to approximately 99.99% of the equity interest in ASL, an entity incorporated in Malaysia. Pursuant to the SPA, as amended on July 1, 2020, Mr. How will receive an aggregate consideration of $1,804,046, which was determined based on the net asset carrying value of ASL as at March 31, 2020. The aggregate consideration shall be satisfied by (i) the offset of the Consideration whereby the Company has a loan receivable of $656,495 as of March 31, 2020 due from Mr. How; and (ii) allotment and issuance of common stock of the Company. The Company shall allot and issue 176,547 shares of the Company' s common stock, par value $0.0001, representing approximately 0.0469% of the total issued and outstanding shares in the Company after the issuance of the Shares, which is valued at $1,147,551 based on the closing price of $6.50 of the Company as quoted on the OTC Market on March 31, 2020. As of December 31, 2020, the Company has issued all 176,547 shares of the Company' s common stock.

The Company' s acquisition of ASL was accounted for as a business combination in accordance with ASC 805. The Company has allocated the purchase price of ASL based upon the carrying value of the identifiable assets acquired and liabilities assumed on April 1, 2020 as ASL was under the common control of Mr. How.

The following table summarizes the carry value of the identifiable assets acquired and liabilities assumed on the acquisition date, which represents the net purchase price allocation on the date of the acquisition of ASL.

		Carry Value
ASSETS		
Current assets		
Cash	$	1,206,493
Other receivables		33,210
Other receivables - related parties		219,121
Inventories		616,880
Prepaid taxes		1,206,821
Prepayments and other assets		318,267
Total current assets		3,600,792
Other assets		
Property and equipment, net		325,648
Intangible assets, net		6,686
Deferred taxes asset, net		172,250
Total other assets		504,584
Total assets	$	4,105,376
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable - related party	$	491,628
Customer deposits		1,600,606
Other payables and accrued liabilities		209,096
Total current liabilities		2,301,330
Total liabilities	$	2,301,330
Total net assets acquired	$	1,804,046

(Currency expressed in United States Dollars ("US$"), except for number of shares)

4. BUSINESS COMBINATION (CONT'D)

The following unaudited pro forma combined results of operations presents the Company's financial results as if the acquisition of ASL had been completed on January 1, 2020. The unaudited pro forma results do not reflect operating efficiencies or potential cost savings which may result from the consolidation of operations. Accordingly, the unaudited pro forma financial information is not necessarily indicative of the results of operations that the Company would have recognized had we completed the transaction on January 1, 2020. Future results may vary significantly from the results in this pro forma information because of future events and transactions, as well as other factors.

	For the year ended December 31, 2020
Revenue	$ 4,693,873
Cost of revenue	(875,708)
Gross profit	3,818,165
Total operating expenses	(3,839,184)
Loss from operations	(21,019)
Other income (expense), net	267,633
Income before income taxes	246,614
Provision for income taxes	(212,414)
Net income	$ 34,200
Net income per common share - basic and diluted	$ 0.00
Weighted average number of common shares outstanding - basic and diluted	376,452,047

5. CASH AND CASH EQUIVALENTS

As of December 31, 2021 and 2020 the Company had $2,597,848 and $3,517,600, respectively, of cash and cash equivalents, which consists of $554,864 and $1,112,147, respectively, of cash in banks and $1,975,347 and $2,391,182, respectively, of time deposits placed with banks or other financial institutions and are all highly liquid investments with an original maturity of three months or less. The effective interest rate for the time deposits ranges between 1.10% to 1.25% per annum.

6. ACCOUNTS RECEIVABLE

	As of December 31,	
	2021	2020
Accounts receivable	$ -	$ 172,757
Allowance for doubtful accounts	-	-
Total	$ -	$ 172,757

(Currency expressed in United States Dollars ("US$"), except for number of shares)

7. INVENTORIES

Inventories consist of the following:

	As of December 31,	
	2021	2020
Finished goods	$ 375,535	$ 589,814

For the years ended December 31, 2021 and 2020, the Company recognized $36,241 and $0 inventory write-down, respectively.

8. PREPAYMENTS AND DEPOSITS

	As of December 31,	
	2021	2020
Receivables from sales distributors	$ 115,379	$ 35,302
Deposits to suppliers	301,233	261,068
Subtotal	416,612	296,370
Less: Provision for doubtful accounts	(121,095)	-
Total	$ 295,517	$ 296,370

Movements of allowance for doubtful accounts are as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	$ -	$ -
Addition	121,514	-
Write off	-	-
Exchange rate effect	(419)	-
Ending balance	$ 121,095	$ -

9. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	As of December 31,	
	2021	2020
Computer and office equipment	$ 82,298	$ 81,437
Furniture & fixtures	122,185	126,966
Leasehold improvements	202,570	210,496
Vehicle	98,702	102,564
Subtotal	505,755	521,463
Less: accumulated depreciation	(289,956)	(223,154)
Total	$ 215,799	$ 298,309

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to $75,797 and $55,407, respectively.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

10. INTANGIBLE ASSETS, NET

Intangible assets, net, consist of the following:

	As of December 31, 2021	As of December 31, 2020
Computer software	$ 34,453	$ 35,801
Less: accumulated amortization	(30,793)	(29,975)
Total	$ 3,660	$ 5,826

Amortization expense for the years ended December 31, 2021 and 2020 amounted to $1,961 and $1,505, respectively.

11. INVESTMENT IN MARKETABLE SECURITIES

(i) On May 17, 2018, the Company purchased 83,333 shares of common stock in Greenpro Capital Corp. for $500,000 at a purchase price of $6 per share.

(ii) On July 30, 2018, the Company disposed 20 shares of common stock in Greenpro Capital Corp. for $125 at a purchase price of $6.2613 per share.

(iii) On October 16, 2018, the Company purchased 33,333 shares of common stock in Greenpro Capital Corp. for $1,000 at a purchase price of $0.03 per share.

(iv) On November 3, 2020, the Company received dividend of 6,667 shares of common stock in DSwiss, Inc. for $76,671 at fair value of $11.50 per share from Greenpro Capital Corporation as result of its Spin-off of DSwiss, Inc.' s shares

(v) On December 9, 2020, the Company received dividend of 16,663 shares of common stock in DSwiss, Inc. for $83,315 at fair value of $5 per share from Greenpro Capital Corporation as result of its Spin-off of DSwiss, Inc.' s shares.

(vi) On September 27, 2021, the Company received dividend of 11,665 shares of common stock in SEATech Ventures Corp. for $18,874 at fair value of $1.62 per share from Greenpro Capital Corp as a dividend income since Greenpro Capital Corp previously owned these shares.

	As of December 31, 2021	As of December 31, 2020
Cost of investment	$ 577,035	$ 66,484
Dividend income from Greenpro Capital Corp.	18,939	160,062
Unrealized holding (loss) gain	(505,231)	350,137
Exchange rate effect	(1,742)	352
Investment in marketable securities	$ 89,001	$ 577,035

(Currency expressed in United States Dollars ("US$"), except for number of shares)

12. INVESTMENT IN NON-MARKETABLE SECURITIES

The Company invested in Unreserved Sdn Bhd with the investment amount of $863,592 (RM 3,500,000), which approximated 20% of the equity interest of Unreserved Sdn Bhd and is accounted for under the equity method of accounting. On March 10, 2019, Unreserved Sdn Bhd issued additional common stock for working capital. As the Company did not subscribe for the additional common stock, the Company's equity interest in investee company was diluted from approximately 20.0% to approximately 17.86%. Effective from March 10, 2019, the Company discontinued equity accounting on the investee company. The Company also ceased control over the operations of the investee company on the same date. Accordingly, the investment in investee company was reclassified to investment in non-marketable securities.

Unreserved Sdn Bhd was incorporated in Malaysia with 2,500,000 ordinary shares authorized, issued and outstanding. Mr. Lim Hun Soon @ David Lim and Ms. Aniza Helina Akmi Karim are the directors of Unreserved Sdn Bhd. Mr. How Kok Choong was a director of the company from April 30, 2018 to March 27, 2019.

On March 3, 2020, the Company agreed to sell the 17.86% ownership interest in Unreserved Sdn Bhd at the December 31, 2019 carrying value of $730,637 to Mr. How Kok Choong, the CEO and director of the Company. The Company received proceeds of $70,173, and had an amount due from director of $660,464 at March 31, 2020. In May 2020, the entire outstanding balance was settled as part of the consideration in a transaction which the Company had acquired the CEO's ownership interest of Agape Superior Living Sdn. Bhd.

On April 3, 2019, the Company purchased a 5% of stock or 15,000,000 shares of common stock in Phoenix Plus Corp. for $1,500 at purchase price of $0.0001 per share.

	As of December 31,	
Unreserved Sdn Bhd	**2021**	**2020**
Investment in non-marketable securities	$ -	$ 730,637
Less: Sale of investment in non-marketable securities	-	(730,637)
Investment in non-marketable securities	-	-
Phoenix Plus Corporation		
Cost of investment	1,500	1,500
Total investment in non-marketable securities	$ 1,500	$ 1,500

13. OTHER PAYABLES AND ACCRUED LIABILITIES

	As of December 31,	
	2021	**2020**
Professional fees	$ 436,541	$ 297,636
Promotion expenses	36,024	37,433
Payroll	22,669	23,976
Commission	219,721	224,711
Others	143,400	63,921
Total	$ 858,355	$ 647,677

(Currency expressed in United States Dollars (“US$”), except for number of shares)

14. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances

Amount due from related parties

Name of Related Party	Relationship	Nature	As of December 31, 2021	2020
Agape ATP (Asia) Limited (“AATP Asia”)	Mr. How Kok Choong, the CEO and director of the Company is also the sole shareholder and director of AATP Asia	Expenses paid for AATP Asia	$ 2,214	$ 2,227
Hostastay Sdn. Bhd. “Hostastay”	Mr. How Kok Choong, the CEO and director of the Company is also the director of Hostastay	Sublease rent due from Hostastay	4,790	996
TH3 Technology Sdn Bhd “TH3 Technology”	Mr. How Kok Choong, the CEO and director of the Company is also the director of TH3 Technology	Expenses paid for TH3 Technology	-	12
Total			$ 7,004	$ 3,235

Amount due to a Related Party

Name of Related Party	Relationship	Nature	As of December 31, 2021	2020
Agape Superior Living Pty Ltd “ASLPL”	Mr. How Kok Choong, the CEO and director of the Company is a 51% shareholder and a director of ASLPL	ATP Label Printing Fees	$ -	$ 455
Total			$ -	$ 455

(Currency expressed in United States Dollars ("US$"), except for number of shares)

14. RELATED PARTY BALANCES AND TRANSACTIONS (CONT'D)

Related party transactions

Revenue

Name of Related Party	Relationship	Nature	For the years ended December 31, 2021	2020
Agape Superior Living Pty Ltd ("ASLPL")	Mr. How Kok Choong, the CEO and director of the Company is a 51% shareholder and a director of ASLPL	Sales of products	$ -	$ 18,060
Vettons Sdn Bhd*	Mr. How Kok Choong, the CEO and director of the Company is appointed as the non-executive Chairman of Vettons Sdn Bhd on February 1, 2021	Sales of products made through its platform	6,625	-
Total			$ 6,625	$ 18,060

* During the year ended December 31, 2021, the Company had sales of $6,625 through the online platform owned by Vettons Sdn Bhd ("Vettons"). Vettons is a related party since Mr. How Kok Choong, the CEO and director of the Company is appointed as the non-executive Chairman of Vettons Sdn Bhd on February 1, 2021.

Purchase

Name of Related Party	Relationship	Nature	For the years ended December 31, 2021	2020
DSY Wellness & Longevity Center Sdn Bhd	Dato' Sri Yap Foo Ching @ Steve Yap, a director of DSY Wellness International Sdn Bhd, is also a director of DSY Wellness & Longevity Center Sdn Bhd.	Purchase	$ 718	$ -
Total			$ 718	$ -

Commission expense

Name of Related Party	Relationship	Nature	For the years ended December 31, 2021	2020
Mr. How Kok Choong	Mr. How Kok Choong, the CEO and director of the Company.	Commission expense	$ 12,758	$ 10,740
Total			$ 12,758	$ 10,740

Other income

Name of Related Party	Relationship	Nature	For the years ended December 31, 2021	2020
Hostastay Sdn. Bhd.	Mr. How Kok Choong, the CEO and director of the Company is also the director of Hostastay	Sublease rental income due from Hostastay	$ 4,345	$ 2,881
Total			$ 4,345	$ 2,881

(Currency expressed in United States Dollars ("US$"), except for number of shares)

15. STOCKHOLDERS' EQUITY

Preferred stock

As of December 31, 2021 and 2020, there were 200,000,000 preferred stocks authorized but none were issued and outstanding.

Common stock

As of December 31, 2021 and 2020, there were 1,000,000,000 common stocks authorized, 290,460,047 and 376,452,047 shares issued and outstanding, respectively.

In May 2020, the Company issued 162,694 shares of the Company's common stock in connection with the acquisition of ASL as part of the acquisition payment.

In June 2020, ASL made certain adjustments to its March 31, 2020 financial statements. As a result, the net assets carrying value increased by $90,043, which required the issuance of an additional 13,853 shares of the Company's common stock to fully satisfy the acquisition payment for ASL to Mr. How Kok Choong, CEO and director of the Company. The 13,853 additional shares were issued in July 2020.

In December 2021, there were share forfeiture agreements (the "**Share Forfeiture Agreements**") between the Company and (i) HKC Talent Limited; (ii) various shareholders of the Company (the "**Forfeiting Shareholders**"), pursuant to which: (i) HKC Talent Limited had agreed to forfeiture of 41,750,000 shares of common stock of the Company, and (ii) the Forfeiting Shareholders had agreed to forfeiture, in aggregate, 44,242,000 shares of common stock of the Company. Included in (ii) is 11,242,000 shares forfeited from HKC Holdings Sdn. Bhd, a company in which Mr. How Kok Choong, the CEO and director of the Company, is a shareholder. As a result, the outstanding shares was reduced by 85,992,000 shares of common stock.

There were no stock options, warrants or other potentially dilutive securities outstanding as of December 31, 2021 and 2020.

16. NON-CONTROLLING INTEREST

The Company's non-controlling interest consists of the following:

	As of December 31, 2021	As of December 31, 2020
DSY Wellness:		
Paid-in capital	$ 97	$ -
Accumulated deficit	(436)	-
Accumulated other comprehensive income	3	-
	(336)	-
ASL	-	-
Total	$ (336)	$ -

(Currency expressed in United States Dollars (“US$”), except for number of shares)

17. INCOME TAXES

The United States and foreign components of (loss) income before income taxes were comprised of the following:

	For the years ended December 31, 2021	2020
Tax jurisdictions from:		
Local - United States	$ (706,659)	$ (735,159)
Foreign - Malaysia	(1,064,314)	1,070,806
Foreign - Hong Kong	(616,640)	180,700
(Loss) income before income tax	$ (2,387,613)	$ 516,347

The (provision for) benefit of income taxes consisted of the following:

	For the years ended December 31, 2021	2020
Current:		
- Local	$ (22,205)	$ -
- Foreign	(104,735)	16,748
Deferred:		
- Local	-	-
- Foreign	(10,127)	(178,329)
Provision for income taxes	$ (137,067)	$ (161,581)

The effective tax rate in the periods presented is the result of the mix of income earned in various tax jurisdictions that apply a broad range of income tax rates. The Company and its subsidiary that operate in various countries: United States, Malaysia (including Labuan) and Hong Kong that are subject to taxes in the jurisdictions in which they operate, as follows:

United States of America

Agape ATP Corporation was incorporated in the State of Nevada and is subject to the tax laws of the United States of America with a corporate tax rate of 21% on its taxable income. Agape ATP Corporation also subject to controlled foreign corporations Subpart F income (“Subpart F”) tax, which is a tax primarily on passive income from controlled foreign corporations with a tax rate of 35%. In addition, the Tax Cuts and Jobs Act imposed a global intangible low-taxed income (“GILTI”) tax, which is a tax on certain off-shore earnings at an effective rate of 10.5% for tax years (50% deduction of the current enacted tax rate of 21%) with a partial offset for 80% foreign tax credits. If the foreign tax rate is 13.125% or higher, there will be no U.S. corporate tax after the 80% foreign tax credits are applied.

For the years ended December 31, 2021 and 2020, the Company’ s foreign subsidiaries did not generate any income that are subject to Subpart F tax and GILTI tax.

17. INCOME TAXES (CONT'D)

For the year ended December 31, 2021, the Company re-visited its fiscal 2020 U.S. income taxes and determined its stock dividend from Greenpro Capital Corp as a result of its Spin-off of DSwiss Inc.' s shares in 2020 were subject to Subpart F and GILTI taxes. As a result, the Company incurred additional income taxes expenses of $22,205, including interest and penalty of $395, for the year ended December 31, 2021, after utilizing its estimated cumulative net operating losses ("NOL") of $312,608 as of December 31, 2020. As a result, the Company' s deferred tax assets of estimated NOL of $65,648 were fully utilized and reduced to $0.

As of December 31, 2021 and 2020, the operations in the United States of America incurred approximately $729,000 and $0, respectively, of cumulative net operating losses ("NOL") which can be carried forward to offset future taxable income or Subpart F and GILTI taxes. These balance can be carried forward indefinitely. The deferred tax valuation allowance as of December 31, 2021 and 2020 were approximately $153,000 and $0, respectively.

Malaysia

Changes to the Labuan Business Activity Tax Act (LBATA) 1990 which was gazetted and came into operation on January 1, 2019 mandate companies incorporated in Labuan to satisfy the "substantial activity requirements" to qualify for the preferential tax rate of 3% on net audited profit. Subsequently, on April 29, 2020, a circular setting out revisions to the "substantial activity requirements" was issued. As Agape ATP Corporation did not maintain a permanent establishment in Labuan, and therefore did not satisfy the said requirements, the company was subjected to tax at 24% on its net audited profit. On June 11, 2021, Agape ATP Corporation made an irrevocable election to be taxed under the Malaysian Income Tax Act 1967 as the elected tax regime is more tax efficient to the entity compare to LBATA.

Agape Superior Living Sdn Bhd, Agape S.E.A Sdn Bhd and Wellness ATP International Holdings Sdn Bhd. are governed by the income taxes laws of Malaysia and the income taxes provision in respect of operations in Malaysia is calculated at the applicable tax rates on the taxable income for the periods based on existing legislation, interpretations and practices in respect thereof. Under the Income Tax Act of Malaysia, enterprises that incorporated in Malaysia are usually subject to a unified 24% enterprise income taxes rate while preferential tax rates, tax holidays and even tax exemption may be granted on case-by-case basis. The tax rate for small and medium sized companies (generally companies incorporated in Malaysia with paid-in capital of RM 2,500,000 or less) is 17% for the first RM 600,000 (or approximately $150,000) for the year ended December 31, 2021 and 2020, with the remaining balance being taxed at the 24% rate.

As of December 31, 2021 and 2020, the operations in the Malaysia incurred approximately $946,000 and $261,000, respectively, of cumulative net operating losses ("NOL") which can be carried forward to offset future taxable income. Approximately $685,000 and $261,000 of the net operating loss carry forwards will expire in 2028 and 2027, respectively, if unutilized. The deferred tax valuation allowance as of December 31, 2021 and 2020 were approximately $217,000 and $0, respectively.

Hong Kong

Agape ATP International Holding (HK) Limited is subject to Hong Kong Profits Tax, which is charged at the statutory income rate of 16.5% on its assessable income derived from Hong Kong. Business income derived or business expenses incurred outside the Special Administrative Region is not subject to Hong Kong Profits Tax or deduction.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

17. INCOME TAXES (CONT'D)

The following table reconciles the local (United States) statutory rates to the Company's effective tax rate for the periods indicated below:

	For the years ended December 31,	
	2021	**2020**
U.S. statutory rate	21.0%	21.0%
Valuation allowance	(17.0)%	(4.0)%
Differential tax rate in Malaysia	3.0%	3.0%
Permanent difference	(12.7)%(1)	11.3%(2)
Effective tax rate	(5.7)%	31.3%

(1) The amount comprised:

- 6.2% being income derived in AATP HK that were not taxable in the Malaysia tax returns; and
- 6.7% being expenses incurred in AATP LB, ASL, SEA, WATP, and DSY Wellness that are not deductible in the Malaysia tax return.

(2) The amount comprised:

- 10.2% being expenses incurred in AATP US that were not deductible in the Malaysia tax returns;
- 0.2% being income derived in AATP HK that were not taxable in the Malaysia tax returns; and
- 1.3% being expenses incurred in AATP LB, ASL, SEA and WATP that are not deductible in the Malaysia tax return.

The following table sets forth the significant components of the aggregate deferred tax assets of the Company as of:

	As of December 31,	
	2021	**2020**
Deferred tax assets:		
Net operating loss carry forwards in U.S.	$ 153,061	$ -
Net operating loss carry forwards in Malaysia	227,106	62,678
Less: valuation allowance	(380,167)	-
Deferred tax liabilities:		
Depreciation	(15,574)	(68,421)
Deferred tax liabilities, net	$ (15,574)	$ (5,743)

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. The Company did not incur interest and penalties tax for the years ended December 31, 2020 and 2020.

18. CONCENTRATIONS OF RISKS

(a) Major customers

For the years ended December 31, 2021 and 2020, no customer accounted for 10% or more of the Company's total revenues.

There are no accounts receivable balance as of December 31, 2021. As of December 31, 2020, receivables from a third-party e-commerce company accounted for approximately 100.0% of the total balance of accounts receivable.

(b) Major vendors

For the year ended December 31, 2021, two vendors accounted for approximately 47.3% and 45.2% of the Company's total purchases, respectively. For the year ended December 31, 2020, two vendors accounted for approximately 74.1% and 25.9% of the Company's total purchases. In November and December 2020, the Company received dividend of 23,330 shares of common stock of DSwiss, Inc., represents approximately 0.01% ownership that the Company accounted for as investment in marketable securities (See Note 11). DSwiss, Inc.'s wholly owned subsidiary is the vendor that accounted for the Company's total purchases of approximately 47.3% and 74.1% for the years ended December 31, 2021 and 2020, respectively.

As of December 31, 2021, one vendor accounted for 100% of the total balance of accounts payable. There are no accounts payable balance as of December 31, 2020.

(c) Commission Expenses to Sales Distributors and Stockists

For the year ended December 31, 2021, one sales distributor accounted for 17.9% of the Company's total commission expense.

For the year ended December 31, 2020, no sales distributor accounted for 10.0% of the Company's total commission expense.

(d) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. As of December 31, 2021 and 2020, $554,864 and $1,112,147 were deposited with financial institutions, respectively, $295,761 and $563,788 of these balances are not covered by deposit insurance. While management believes that these financial institutions are of high credit quality, it also continually monitors their credit worthiness.

Financial instruments that are potentially subject to credit risk consist principally of accounts receivable. The Company believes the concentration of credit risk in its account receivable is substantially mitigated by its ongoing credit evaluation process and relatively short collection terms. The Company does not generally require collateral from customers. The Company evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. Historically, the Company did not have any bad debt on its account receivable.

(Currency expressed in United States Dollars (“US$”), except for number of shares)

18. CONCENTRATIONS OF RISKS (CONT’D)

(e) Exchange rate risk

The Company cannot guarantee that the current exchange rate will remain steady; therefore, there is a possibility that the Company could post the same amount of profit for two comparable periods and because of the fluctuating exchange rate actually post higher or lower profit depending on exchange rate of RM and HK$ converted to US$ on that date. The exchange rate could fluctuate depending on changes in political and economic environments without notice.

19. COMMITMENTS AND CONTINGENCIES

Lease commitments

On April 1, 2020, the Company adopted ASC 842 for ASL’ s office space lease and sales and training center as the lease commencement date upon the acquisition of ASL. The Company recognized lease liabilities of approximately $490,000, with a corresponding right-of-use (“ROU”) asset in the same amount based on the present value of the future minimum rental payments of the lease, using an effective interest rate of 5.5%, which was determined using the Company’ s estimated incremental borrowing rate.

On May 31, 2021, the Company entered into two separate two-year leases extension with the modified lease expiring May 31, 2023 for its office space and expiring August 31, 2023 for its training center. The lease modification required the Company to re-measure the ROU assets and lease liabilities based on the modified leases. The Company recognized a reduction of $3,250 in ROU assets and lease liabilities upon lease modifications based on the present value of the future minimum rental payments of the lease, using an effective interest rate of 5.5%, which was determined using the Company’ s estimated incremental borrowing rate.

As of December 31, 2021, the weighted remaining term of the lease is approximately 1.64 years.

The five-year maturity of the Company’ s operating lease liabilities is as follow:

Twelve Months Ending December 31,		Operating lease liabilities
2022	$	166,426
2023		84,915
Thereafter		-
Total lease payments		251,341
Less: interest		(10,763)
Present value of lease liabilities	$	240,578

Rent expense for the years ended December 31, 2021 and 2020 was $179,562 and $156,716, respectively.

Contingencies

Legal

From time to time, the Company is party to certain legal proceedings, as well as certain asserted and un-asserted claims. Amounts accrued, as well as the total amount of reasonably possible losses with respect to such matters, individually and in the aggregate, are not deemed to be material to the consolidated financial statements.

19. COMMITMENTS AND CONTINGENCIES (CONT’D)

COVID-19

Since the declaration of the COVID-19 a pandemic on March 11, 2020, by the World Health Organization or WHO, Malaysia has been put through various stages of lockdowns such as (1) full movement control orders (“MCO”), under which, quarantines, travel restrictions, and the temporary closure of stores and facilities in Malaysia were made mandatory, (2) MCO were eased to a Conditional Movement Control Order (“CMCO”) where most business sectors were allowed to operate under strict rules and Standard Operating Procedures mandated by the government of Malaysia and (3) CMCO were further relaxed to Recovery Movement Control Order (“RMCO”). On January 12, 2021, due to a resurgence of COVID-19 cases, the Malaysian government declared a state of emergency nationwide to combat COVID-19. Intermittent lockdowns were imposed in various states and districts in the country. February 2021 marked a significant month for Malaysia as all frontline staff of the country, which comprised those in healthcare, police, the Volunteers Department of Malaysia, the Fire and Rescue Department of Malaysia and civil defense sectors were vaccinated. On February 16, 2021, Prime Minister, Tan Sri Muhyiddin Yassin announced that a National COVID-19 Immunisation Plan will be implemented for one year after February 2021, which 80% of the Malaysia population will be vaccinated to achieve herd immunization. On March 5, 2021, lockdowns in most part of the country was eased to a CMCO, nevertheless, COVID-19 cases in the country continue to rise. On May 12, 2021, Malaysia was again put under a full lockdown nationwide, until the earlier of (i) daily COVID-19 cases infection of the country fall below 4,000; (ii) intensive Unit Care, or ICU, wards start operating at a moderate level; or (iii) 10% of the Malaysian population is fully vaccinated. The country was administering over 400,000 doses of COVID-19 vaccines daily. On July 17, 2021, the full lockdown was slightly eased as 13.9% of the Malaysian population was fully vaccinated, with another 30% having received at least one dose of the vaccine. The COVID-19 situation in the country showed no sign of abating. Kuala Lumpur and Selangor remained the epicenter of the latest wave of infections. Total COVID-19 cases in the country surpassed the one million mark on July 25, 2021, and daily cases hit a record high of 24,599 on August 26, 2021. Despite the deteriorating COVID-19 state, the government lifted Kuala Lumpur from Enhanced Movement Control Order (“EMCO”) ahead of schedule and ended the nationwide state of emergency on August 1, 2021. Parliament met for the first time this year on July 26, 2021. Malaysia pressed on with its National COVID-19 Immunisation Plan, fast inoculating its residents. COVID-19 infection started to drop below the 10,000 mark daily, beginning October 3, 2021. Effective October 11, 2021, interstate and international travel restrictions were lifted for residents who had been fully vaccinated against COVID-19 as the country achieved its target of inoculating 90% of its adult population. The government is preparing to shift into an endemic COVID-19 phase where it will not impose wide lockdowns even if cases rise. As of March 6, 2022, over 78.9% of the country’ s population have been fully vaccinated, with a further 46.0% having received booster shot.

Substantially all of our revenues are concentrated in Malaysia. Consequently, our results of operations will likely be adversely, and may be materially, affected, to the extent that the COVID-19 or any other epidemic harms the Malaysia and global economy in general. Any potential impact to our results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the COVID-19 or treat its impact, almost all of which are beyond our control. Potential impacts include, but are not limited to, the following:

- temporary closure of offices, travel restrictions, financial impact of the Company’ s customers or suspension supplies may be negatively affected, and could continue to negatively affect the demand for the Company’ s product;
- the Company may have to provide significant sales incentives to its customers during the outbreak, which may in turn materially adversely affect its financial condition and operating results; and
- any disruption of the Company’ s supply chain, logistics providers or customers could adversely impact its business and results of operations, including causing the Company or its suppliers to cease manufacturing for a period of time or materially delay delivery to its customers, which may also lead to loss of its customers.

Because of the uncertainty surrounding the COVID-19 outbreak, the financial impact related to the outbreak of and response to the COVID-19 cannot be reasonably estimated at this time. There is no guarantee that the Company’ s total revenues will grow or remain at the similar level year over year in 2021 and 2022.

20. SUBSEQUENT EVENTS

<u>Forfeiture of Common Stock</u>

A share forfeiture agreement (the “Share Forfeiture Agreement”) dated January 20, 2022, between the Company and Mr. How Kok Choong, the CEO and director of the Company, pursuant to which Mr. How Kok Choong agreed to forfeit 215,008,035 shares of common stock of the Company.