

WeTrade Group Inc. Reports Second Quarter 2021 Unaudited Financial Results

BEIJING, Aug. 17, 2021 /PRNewswire/ -- WeTrade Group Inc. ("Wetrade" or the "Company") (US: WETG), an emerging growth company engaged in the business of providing software-as-a-services (SAAS) and cloud intelligent systems for micro-businesses, today reports its unaudited financial results for the second quarter ended June 30, 2021.

Mr. Pijun Liu, Chief Executive Officer of Wetrade, commented, "With the COVID-19 pandemic accelerating the digital transformation of the substantial industries, the demand for Online-Merge-Offline (OMO) business operation mode is completely exploded, which has driven our business progress into a rapid growth trajectory. For the second quarter of 2021, the Company's revenue and profit both exceeded our expectations."

Mr. Liu continued, "At present, the growth of public domain traffic tends to be flat. One of the few ways of breaking the ceiling of revenue growth is to build up private domain traffic. For Wetrade, we continuously improve the service capabilities and strive to become an assistant for merchants to develop in the private domain in order to grasp the dividends of the private domain economy. Recently, Wetrade has formally joined the Tencent' Thousand Sails Plan as a partner and also a service provider of Tencent Cloud."

Mr. Kean Tat Che, Chief Financial Officer of Wetrade, commented, "The Company still maintained a momentum of rapid development this quarter due to the maturity of YCloud technology and the growth of the Company's customer base. With the normalization of COVID-19 pandemic prevention and control, digital transformation of the offline retail industry has become a rigid demand. The Company is aiming to further expand in retail industry applications to provide efficient online marketing tools and solution for merchants and further strengthen the revenue base of the Group."

Second Quarter of 2021 Financial Results

(\$ millions, except per share data)	For the Three Months Ended June 30,		
	2021	2020	% Change
Revenue	3.88	0.86	354.0%
Gross Profit	3.69	0.86	331.7%
Gross Margin	95.1%	100%	-4.9pp*
Operations Profit	1.92	0.58	230.4%
Net Income	1.84	0.57	223.0%
Earnings Per Share	0.01	0.00	NM

*Notes: pp represents percentage points

Revenue

Total revenue were \$3.88 million and \$0.86 million from services revenue from customers and related party for the three months ended June 30, 2021 and 2020, respectively, the increase was mainly due to the service revenue generated from new customers during the period.

Cost of Revenue

Cost of revenue was \$0.19 million for the three months ended June 30, 2021, compared with nil for the same period of last year. The increase was in line with the increase in revenue and was mainly due to more staffs were recruited during the period.

Gross profit and gross margin

Gross profit increased by \$2.83 million, or 331.7% to \$3.69 million for the three months ended June 30, 2021, from \$0.86 million for the same period of last year.

Gross margin was 95.1% for the three months ended June 30, 2021, compared with 100% for the same period of last year.

Operations Profit

General and administrative expenses increased by \$1.50 million, or 548.4%, to \$1.77 million for the three months ended June 30, 2021 from \$0.27 million for the same period of last year. The increase was mainly due to increase in the payroll expenses as a result of new staffs were recruited for software development during the period as compared to no such software development in prior period.

Operations profit increase by \$1.34 million, or 230.4% to \$1.92 million for the three months ended June 30, 2021, from \$0.58 million for the same period of last year.

Net Income

Net income increase by \$1.27 million, or 223.0% to \$1.84 million for the three months ended June 30, 2021, from \$0.57 million for the same period of last year. Basic and diluted earnings per share was 0.01 for the three months ended June 30, 2021, compared with nil for the same period of last year.

Six months ended June 30, 2021 Financial Results

(\$ millions, except per share data)	For the Six Months Ended June 30,		
	2021	2020	% Change
Revenue	6.66	0.88	660.4%
Gross Profit	6.33	0.88	622.0%
Gross Margin	94.9%	100%	-5.1pp*
Operations Profit	2.67	0.58	361.4%
Net Income	2.49	0.57	340.5%
Earnings Per Share	0.01	0.00	NM

*Notes: pp represents percentage points

Revenue

Total revenue were \$6.66 million and \$0.88 million from service revenue from customers and related party for the six months ended June 30, 2021 and 2020, respectively, the increase was mainly due to the service revenue generated from new customers during the period.

Cost of Revenue

Cost of revenue was \$0.34 million for the six months ended June 30, 2021, compared with nil for the same period of last year. The increase was in line with the increase in revenue and was mainly due to more staffs were recruited during the period.

Gross profit and gross margin

Gross profit increased by \$5.45 million, or 622.0% to \$6.33 million for the six months ended June 30, 2021, from \$0.88 million for the same period of last year.

Gross margin was 94.9% for the six months ended June 30, 2021, compared with 100% for the same period of last year.

Operations Profit

General and administrative expenses increased by \$3.36 million, or 1128.3%, to \$3.66 million for the six months ended June 30, 2021 from \$0.30 million for the same period of last year. The increase was mainly due to increase in the payroll expenses as a result of new staffs were recruited for software development during the period as compared to no such software development in prior period.

Operations profit increased by \$2.09 million, or 361.4% to \$2.67 million for the six months ended June 30, 2021, from \$0.58 million for the same period of last year.

Net Income

Net income increased by \$1.92 million, or 340.5% to \$2.49 million for the six months ended June 30, 2021 from \$0.57 million for the same period of last year. Basic and diluted earnings per share was 0.01 for the six months ended June 30, 2021, compared with nil for the same period of last year.

Financial Condition

As of June 30, 2021, the Company had cash and cash equivalents for \$3.21 million, compared to \$4.64 million as of December 31, 2020. Net cash used in operating activities was \$0.96 million for the six months ended June 30, 2021, compared to \$1.20 million for the same period of last year. Net cash used in investing activities was \$0.17 million for the six months ended June 30, 2021, compared to nil for the same period of last year. Net cash provided by financing activities was nil for the six months ended June 30, 2021, compared to \$0.22 million for the same period of last year.

About WeTrade Group Inc.

WeTrade Group Inc. is believed the world's first technical service provider of SAAS and Cloud Intelligent System for micro-businesses and is also believed as the first internationalized system in the global micro-business cloud intelligence field and the leader, innovator and promoter of the world's cloud intelligent system for micro-businesses. WeTrade Group independently developed the cloud intelligent system for micro-businesses (Abbreviation: YCloud). YCloud can strengthen users' marketing relationship and CPS commission profit management through leading technology and big data analysis. It also can help increase the payment scenarios to increase customers' revenue by multi-channel data statistics, AI fission and management as well as improved supply chain system. Up to now, YCloud's business has successfully landed in mainland China and Hong Kong, covering the micro business industry, tourism industry, hospitality industry, livestreaming and short video industry, aesthetic medical industry and traditional retail industry. For more information, please visit <https://ir.wetg.group>.

Forward-Looking Statements

This press release contains information about the Company's view of its future expectations, plans and prospects that constitute forward-looking statements. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with its ability to raise additional funding, its ability to maintain and grow its business, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. The Company's encourages you to review other factors that may affect its future results in the Company's annual reports and in its other filings with the Securities and Exchange Commission.

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(All amounts shown in U.S. Dollars)

	<u>2021</u>	<u>2020</u>
	(unaudited)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 3,210,464	\$ 4,640,603
Accounts Receivables	4,151,236	2,609,520
Note receivable	3,665,808	3,097,981
Other receivables	47,595	50,786
Prepayments	1,981,009	61,707
Total current assets	<u>13,056,112</u>	<u>10,460,597</u>
Non current Assets:		
Property and equipment, net	170,428	
Right of use assets	2,574,212	2,813,186
Intangible asset, net	43,411	49,029
Rental deposit	233,363	219,895
Total non-current assets	<u>3,021,414</u>	<u>3,082,110</u>
Total Assets:	<u>\$ 16,077,526</u>	<u>\$ 13,542,707</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Account payables	184,891	8,176
Accrued expenses	223,815	263,355
Tax payables	272,210	828,695
Amount due to related parties	560,500	416,500
Lease liabilities, current	612,537	569,865
Other payables	528,048	90,633
Total Current Liabilities	<u>2,382,001</u>	<u>2,177,224</u>
Lease liabilities, non current	2,187,361	2,471,598
Total Liabilities	<u>\$ 4,569,362</u>	<u>\$ 4,648,822</u>
Stockholders' Equity:		
Common Stock; \$0.00 per share par value; 305,451,498 issued and outstanding at June 30, 2021 and December 31, 2020	-	-
Additional Paid in Capital	6,057,520	6,057,520
Accumulated other comprehensive income	698,900	578,735
Retained Earning	4,751,744	2,257,630
Total Stockholders' Equity	<u>\$ 11,508,164</u>	<u>\$ 8,893,885</u>
Total Liabilities and Stockholders' Equity	<u>\$ 16,077,526</u>	<u>\$ 13,542,707</u>

WETRADE GROUP INC
STATEMENTS OF OPERATIONS
Unaudited

	For the Three Months Ended June 30, 2021 (unaudited)	For the Three Months Ended June 30, 2020 (unaudited)	For the Six Months Ended June 30, 2021 (unaudited)	For the Six Months Ended June 30, 2020 (unaudited)
Revenue:				
Service revenue, related party	\$ -	\$ 855,293	\$ -	\$ 876,363
Service revenue	3,882,893	-	6,663,816	-
Total service revenue	<u>3,882,893</u>	<u>855,293</u>	<u>6,663,816</u>	<u>876,363</u>
Cost of revenue	(190,459)	-	(336,767)	-
Gross Profit	<u>\$ 3,692,434</u>	<u>\$ 855,293</u>	<u>\$ 6,327,049</u>	<u>\$ 876,363</u>
Operating expenses				
General and administrative expense	\$ 1,767,457	\$ 272,608	\$ 3,656,646	\$ 297,698
Total operating expenses	<u>\$ (1,767,457)</u>	<u>\$ (272,608)</u>	<u>\$ (3,656,646)</u>	<u>\$ (297,698)</u>
Profit from operations	<u>1,924,977</u>	<u>582,685</u>	<u>2,670,403</u>	<u>578,665</u>
Other revenue	115,084	121	198,599	121

Profit before provision for income taxes	2,040,061	582,806	2,869,002	578,786
Income tax provision	<u>(198,031)</u>	<u>(12,553)</u>	<u>(374,888)</u>	<u>(12,553)</u>
Net income	<u>\$ 1,842,030</u>	<u>\$ 570,253</u>	<u>\$ 2,494,114</u>	<u>\$ 566,233</u>
Comprehensive income				
Net income	\$ 1,842,030	\$ 570,253	\$ 2,494,114	\$ 566,233
Other comprehensive income				
Foreign currency translation adjustment	<u>172,098</u>	<u>(3,559)</u>	<u>120,165</u>	<u>(57,060)</u>
Total comprehensive income	<u>\$ 2,014,128</u>	<u>\$ 566,694</u>	<u>\$ 2,614,279</u>	<u>\$ 509,173</u>
Earning per share, basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.00</u>
Weighted-average shares outstanding, basic and diluted*	<u>305,451,498</u>	<u>302,721,999</u>	<u>305,451,498</u>	<u>301,888,665</u>

*Share and per share amounts have been retroactively adjusted to reflect the increased number of shares resulting from a 1:3 stock split.

WETRADE GROUP INC
STATEMENTS OF CASH FLOWS

	For the Period June 30, 2021	From the period June 30, 2020
	(unaudited)	(unaudited)
Cash Flows from Operating Activities:		
Net Income	\$ 2,494,114	\$ 566,233
Adjustment to reconcile net income to cash flows from operating activities:		
Amortization of intangible asset	6,206	-
Changes in Operating Assets and Liabilities:		
Accounts receivables	(1,509,231)	(444,473)
Note receivable	(564,562)	-
Other receivables	(7,051)	(20,688)
Prepayments	(1,525,201)	(56,422)
Amount due to related parties	144,000	(1,338,014)
Intangible assets	-	(54,679)
Accounts payables	176,447	-
Accrued expenses	229,682	142,628
Right of use assets	272,426	-
Lease liabilities	(277,733)	-
Other payables	(401,486)	5,731
Net Cash Used in Operating Activities:	\$ (962,389)	\$ (1,199,684)
Cash flow from investing activity:		
Office equipment	<u>(170,265)</u>	<u>-</u>
Net cash provided by investing activity:	(170,265)	-
Cash flow from financing activities:		
Share issued for cash	-	219,202
Net cash provided by financing activities:	<u>-</u>	<u>219,202</u>
Effect of exchange rate changes on cash	(297,485)	(60,620)
Change in Cash and Cash Equivalents:	(1,430,139)	(1,041,102)
Cash and Cash Equivalents, Beginning of Period	4,640,603	6,591,128
Cash and Cash Equivalents, End of Period	<u>\$ 3,210,464</u>	<u>\$ 5,550,026</u>
Supplemental Cash Flow Information:		
Cash paid for interest		\$ -
Cash paid for taxes		\$ -

SOURCE WeTrade Group Inc.

<https://ir.wetg.group/2021-08-17-WeTrade-Group-Inc-Reports-Second-Quarter-2021-Unaudited-Financial-Results>