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

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended December 31, 2018

OR

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

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-38309

**AGM Group Holdings Inc.**

(Exact name of Registrant as specified in its charter)

**British Virgin Islands**

(Jurisdiction of incorporation or organization)

**c/o Creative Consultants (Hong Kong) Limited  
Room 1502-3 15/F., Connaught Commercial Building, 185 Wanchai Road  
Wanchai, Hong Kong**

(Address of principal executive offices)

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**c/o Creative Consultants (Hong Kong) Limited  
Room 1502-3 15/F., Connaught Commercial Building, 185 Wanchai Road  
Wanchai, Hong Kong**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Class A ordinary shares, par value \$0.001 per share	AGMH	The NASDAQ Stock Market LLC

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

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

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 21,316,055 shares of Class A ordinary shares and 11,900,000 shares of Class B ordinary shares issued and outstanding as of December 31, 2018

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer   
Emerging growth company

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

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

U.S. GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

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

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes  No

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

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

Yes  No

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## Conventions Used in this Annual Report

Except where the context otherwise requires and for purposes of this annual report on Form 20-F only, “we,” “us,” “our company,” “Company,” “our” and “AGM Holdings” refer to:

- AGM Group Holdings Inc., a British Virgin Islands company limited by shares (“AGM Holdings” when individually referenced);
- AGM Technology Limited, a Hong Kong SAR limited company (“AGM HK” when individually referenced) and a wholly-owned subsidiary of AGM Holdings;
- Shenzhen AnGaoMeng Financial Technology Service Co., Ltd. (“AGM Shenzhen”) (also referred to as 深圳安高盟金融科技服务有限公司 in China), a wholly foreign-owned enterprise (“WFOE”) formed under the laws of the People’s Republic of China (the “PRC”) and a wholly-owned subsidiary of AGM HK;
- Beijing AnGaoMeng Technology Service Co., Ltd. (“AGM Beijing”) (also referred to as 北京安高盟科技发展有限公司 in China), a PRC company and a wholly-owned subsidiary of AGM Shenzhen;
- Nanjing XinGaoMeng Software Technology Co., Ltd. (“AGM Nanjing”) (also referred to as 南京鑫高盟软件科技有限公司 in China), a PRC company and a wholly-owned subsidiary of AGM Shenzhen;
- AGM Software Service LTD (“AGM Software”), a British Virgin Islands company limited by shares and a wholly-owned subsidiary of AGM Holdings;
- AGMTrade UK LTD (“AGM UK”), a company incorporated under the law of England and Wales, limited by shares and a wholly-owned subsidiary of AGM Holdings;
- AGM Trade Global PTY LTD (“AGM Australia”), an Australia company, limited by shares and a wholly-owned subsidiary of AGM Holdings;
- AGMClub Service Limited (“AGMClub”), a Hong Kong SAR limited company and a wholly-owned subsidiary of AGM Holdings;
- AGM Global Asset Management Limited. (“AGM Global”), a Cayman Islands limited company and a wholly-owned subsidiary of AGM Holdings; and
- AGM Shenzhen, AGM Beijing, and AGM Nanjing are collectively referred to as “AGM PRC”.

This annual report contains translations of certain RMB amounts into U.S. dollar amounts at a specified rate solely for the convenience of the reader. The exchange rates in effect as of December 31, 2018 and 2017 were US \$1.00 for RMB6.8764 and RMB6.5064, respectively. The average exchange rates for the years ended December 31, 2018, 2017 and 2016, were US \$1.00 for RMB6.6164, RMB6.7570, and RMB6.6430, respectively. We use period-end exchange rates for assets and liabilities and average exchange rates for revenue and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. Any discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

We obtained the industry and market data used in this annual report or any document incorporated by reference from industry publications, research, surveys and studies conducted by third parties and our own internal estimates based on our management’s knowledge and experience in the markets in which we operate. We did not, directly or indirectly, sponsor or participate in the publication of such materials, and these materials are not incorporated in this annual report other than to the extent specifically cited in this annual report. We have sought to provide current information in this annual report and believe that the statistics provided in this annual report remain up-to-date and reliable, and these materials are not incorporated in this annual report other than to the extent specifically cited in this annual report.

### SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The words “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” and similar expressions are intended to identify such forward-looking statements. Our actual results may differ materially from the results anticipated in these forward-looking statements due to a variety of factors, including, without limitation, those discussed under “Item 3. Key Information—Risk Factors,” “Item 4. Information on the Company,” “Item 5. Operating and Financial Review and Prospects,” and elsewhere in this report, as well as factors which may be identified from time to time in our other filings with the Securities and Exchange Commission (the “SEC”) or in the documents where such forward-looking statements appear. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements.

The forward-looking statements contained in this report reflect our views and assumptions only as of the date this report is signed. Except as required by law, we assume no responsibility for updating any forward-looking statements.

**PART I****ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable for annual reports on Form 20-F.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable for annual reports on Form 20-F.

**ITEM 3. KEY INFORMATION****A. Selected Financial Data**

The following table presents the selected consolidated financial information for our company. The selected consolidated statements of operations and comprehensive income (loss) data for the three years ended December 31, 2018, 2017 and 2016, and the selected consolidated balance sheets data as of December 31, 2018 and 2017 have been derived from our audited consolidated financial statements, which are included in this annual report beginning on page F-1. Our historical results do not necessarily indicate results expected for any future periods. The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements and related notes and “Item 5. Operating and Financial Review and Prospects” below. Our audited consolidated financial statements are prepared and presented in accordance with US GAAP.

(All amounts in thousands of U.S. dollars, except Dividend per share in Renminbi and Shares outstanding)

	<b>For the Year Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Statement of operation data:</b>			
Revenues, net	\$ 5,112,520	\$ 12,427,743	\$ 6,882,843
Gross profit	\$ 3,459,492	\$ 9,079,062	\$ 4,582,271
Operating expenses	\$ (5,828,338)	\$ (3,364,657)	\$ (2,131,566)
Income (loss) from operations	\$ (2,368,846)	\$ 5,714,405	\$ 2,450,705
Other non-operating income (expenses), net	\$ (12,836)	\$ 6,022	\$ (1,752)
Provision for income taxes (benefits)	\$ 595,421	\$ (1,300,894)	\$ (783,382)
Net income (loss) from continued operations	\$ (1,786,261)	\$ 4,419,533	\$ 1,665,571
Net income (loss) from discontinued operations	\$ (6,626,470)	\$ (519,642)	\$ 684,577
Continued earnings (loss) per share, basic and diluted	\$ (0.09)	\$ 0.22	\$ 9.55
Discontinued earnings (loss) per share, basic and diluted	\$ (0.31)	\$ (0.03)	\$ 3.93
Weighted average Ordinary Shares outstanding	20,951,074	20,010,000	174,384
<b>Balance sheet data:</b>			
Current assets	\$ 8,397,634	\$ 21,542,318	\$ 8,572,734
Total assets	\$ 8,849,685	\$ 24,746,076	\$ 10,470,966
Current liabilities	\$ 3,130,765	\$ 16,628,159	\$ 6,223,276
Total liabilities	\$ 3,130,765	\$ 16,628,159	\$ 6,223,276
Total equity (deficit)	\$ 5,718,920	\$ 8,117,917	\$ 4,247,690

## Exchange Rate Information

Our financial information is presented in U.S. dollars. Our functional currency for AGM Holdings, AGM HK, AGM Software, AGM UK, AGM Australia, AGMClub and AGM Global is U.S. dollars, and functional currency for AGM Shenzhen, AGM Beijing and AGM Nanjing is Renminbi (“RMB”). Transactions which are denominated in currencies other than functional currency are converted into functional currency at the exchange rate at the dates of the transactions. Exchange gains and losses resulting from transactions denominated in a currency other than functional currency are included in statements of operations as foreign currency transaction gains or losses. Our financial statements have been translated into U.S. dollars in accordance with Statement of Financial Accounting Standard (“SFAS”) No. 52, “Foreign Currency Translation”, which was subsequently codified within ASC 830, “Foreign Currency Matters”. For those entities which use RMB as its functional currency, the financial information is first prepared in RMB and then is translated into U.S. dollars at period-end exchange rates as to assets and liabilities and average exchange rates as to revenue and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. The effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive income (loss) in shareholders’ equity.

We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. We do not currently engage in currency hedging transactions.

The following table sets forth information concerning exchange rates between the RMB and the U.S. dollar for the periods indicated. ([www.federalreserve.gov](http://www.federalreserve.gov)).

<b>Period Ended</b>	<b>High Rate</b>	<b>Low Rate</b>	<b>Period End Rate</b>	<b>Average Rate</b>
<b>2016</b>	6.9580	6.4480	6.9430	6.6400
<b>2017</b>	6.9575	6.4773	6.5063	6.7570
<b>2018</b>	6.9737	6.2649	6.8755	6.6146
<b>January 2019</b>	6.8708	6.6958	6.6958	6.7863
<b>February 2019</b>	6.7907	6.6822	6.6912	6.7367
<b>March 2019</b>	6.7381	6.6916	6.7112	6.7119
<b>April 2019</b>	6.7418	6.6870	6.7347	6.7161

As of May 10, 2019, the exchange rate was RMB 6.8217 to \$1.00.

## B. Capitalization and Indebtedness

Not applicable for annual reports on Form 20-F.

## C. Reasons for the Offer and Use of Proceeds

Not applicable for annual reports on Form 20-F.

## D. Risk Factors

## **Risks Related to Our Business and Industry**

*We have a limited operating history in a new and evolving market, which makes it difficult to evaluate our future prospects.*

The software industry is developing rapidly. The regulatory framework for this market is also evolving and may remain uncertain for the foreseeable future. Potential users may have difficulty distinguishing our services from those of our competitors. Convincing potential new users of the value of our services is critical to the success of our business.

Our company was incorporated in April 27, 2015 and have a limited operating history. As our business develops or in response to competition, we may continue to introduce new features or make adjustments to our existing services and our business model. Any significant change to our business model may not achieve expected results and may have a material and adverse impact on our financial conditions and results of operations. It is therefore difficult to effectively assess our future prospects. You should consider our business and prospects in light of the risks and challenges we encounter or may encounter in this developing and rapidly evolving market. These risks and challenges include our ability to, among other things:

- navigate an evolving regulatory environment;
- expand the user base;
- broaden our services;
- increase awareness of our brand and continue to develop customer loyalty;
- enhance our risk management capabilities;
- raise sufficient capital to sustain and expand our business;
- attract, retain and motivate qualified personnel;
- upgrade our technology to support additional research and development of new services;
- improve our operational efficiency;
- cultivate a vibrant online social trading system;
- maintain the security of our platform and the confidentiality of the information provided and utilized across our platform;
- attract, retain and motivate talented employees; and
- defend ourselves against litigation, regulatory, intellectual property, privacy or other claims.

If we fail to educate potential users about the value of our software, if the software market does not develop as we expect, or if we fail to address the needs of our target market, or other risks and challenges, our business and results of operations will be harmed.

***We are dependent on our major customers for the majority of our revenues. The loss of one or more significant customers could adversely affect our financial condition, prospects and results of operations.***

For the year ended December 31, 2018, our two largest customers collectively accounted for approximately 43% of total revenues. For the year ended December 31, 2017, our two largest customers collectively accounted for approximately 33% of total revenues, respectively. If we were to lose any key alliances over a relatively short period of time or if one of our largest customers fails to pay or delays in paying a significant amount of our outstanding receivables, we could experience an adverse impact on our business, financial condition, results of operations, cash flows and prospects. Additionally, changes in ownership of our customers may result in the loss of, or reduction in, business from those customers, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We are dependent on a limited number of suppliers, and delays in deliveries or increases in the cost could harm our business, results of operations and financial condition.

Our ability to meet our customers' demand for our service depends upon obtaining adequate supplies on a timely basis. We have established relationships with a limited number of suppliers. For the year ended December 31, 2018, our three largest suppliers collectively accounted for approximately 44% of total cost. For the year ended December 31, 2017, our three largest suppliers collectively accounted for approximately 41% of total cost. Should any of our current suppliers be unable to deliver their service or otherwise fail to deliver in a timely manner and at acceptable prices and quality, we would have to identify and quality replacements from alternative sources of supply. However, the process of qualifying new suppliers for complex components is also lengthy and could have a material adverse effect on our business, financial condition and results of operations. Additionally, increase in costs may adversely impact demand for our services or the results of our business operations.

***If we are not able to continue to innovate or if we fail to adapt to changes in our industry, our business, financial condition and results of operations would be materially and adversely affected.***

The software industry is characterized by rapidly changing technology, evolving industry standards, new service introductions and changing customer demands. Furthermore, our competitors are constantly developing innovations in online marketing, communications, social networking and other services to enhance users' online experience. We continue to invest significant resources in our infrastructure, research and development and other areas in order to introduce more content and enhance our existing services that will attract more users to our software. The changes and developments taking place in our industry may also require us to re-evaluate our business model and adopt significant changes to our long-term strategies and business plan. Our failure to innovate and adapt to these changes would have a material adverse effect on our business, financial condition and results of operations.

***If we are unable to maintain existing clients, attract new clients or broaden our market, our business and results of operations will be adversely affected.***

We intend to continue to dedicate significant resources to our user acquisition efforts, including establishing new acquisition channels, particularly as we continue to grow and introduce new services. The overall number of users may be affected by several factors, including our brand recognition and reputation, the effectiveness of our risk control, the efficiency of our platform, the macroeconomic environment and other factors. Currently, we promote our brand through direct communications with schools and learning centers. However, we do not have sufficient human resource to market our services, which will result in an increase in operation cost. If we are unable to broaden our market or attract new users, or if the existing users do not continue to use our software, we might be unable to increase our revenues as we expect, and our business and results of operations may be adversely affected.



***If we do not compete effectively, our results of operations could be harmed.***

The market of software is in rapid growth due to rapid growth of actual and predicted demand. The market, thus, has become more competitive. For our commodity trading platform, we compete with traditional financial institutions and other online trading platforms. For our education software, we compete with schools and learning centers and online education programs. Our competitors operate with different business models, have different cost structures or participate selectively in different market segments. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. Some of our current and potential competitors have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their platforms. Our competitors may also have longer operating histories, more extensive customer bases, greater brand recognition and brand loyalty and broader partner relationships than us. Additionally, a current or potential competitor may acquire one or more of our existing competitors or form a strategic alliance with one or more of our competitors. Our competitors may be better at developing new services, offering more attractive investment returns or lower fees, responding faster to new technologies and undertaking more extensive and effective marketing campaigns. In response to competition and in order to grow or maintain the client base, we may have to offer more content and features in the software or charge lower fees, which could materially and adversely affect our business and results of operations. If we are unable to compete with such companies and meet the need for innovation in our industry, the demand for our service could stagnate or substantially decline, we could experience reduced revenues or our services could fail to achieve or maintain more widespread market acceptance, any of which could harm our business and results of operations.

***If we fail to promote and maintain our brand in an effective and cost-efficient way, our business and results of operations may be harmed.***

We believe that developing and maintaining awareness of our brand effectively is critical to attracting new and retaining existing clients. Successful promotion of our brand and our ability to attract clients depend largely on the effectiveness of our marketing efforts and the success of the channels we use to promote our services. It is likely that our future marketing efforts will require us to incur significant additional expenses. These efforts may not result in increased revenues in the immediate future or at all and, even if they do, any increases in revenues may not offset the expenses incurred. If we fail to successfully promote and maintain our brand while incurring substantial expenses, our results of operations and financial condition would be adversely affected, which may impair our ability to grow our business.

***Unauthorized disclosure of sensitive or confidential customer information or our failure or the perception by our customers that we failed to comply with privacy laws or properly address privacy concerns could harm our business and standing with our customers.***

We collect, store, process, and use certain personal information and other user data in our business. A significant risk associated with our business is the secure transmission of confidential information over public networks. The perception of privacy concerns, whether or not valid, may adversely affect our business and results of operations. We must ensure that any processing, collection, use, storage, dissemination, transfer and disposal of data for which we are responsible complies with relevant data protection and privacy laws. The protection of our customer, employee and company data is critical to us. We rely on commercially available systems, software, tools and monitoring to provide secure processing, transmission and storage of confidential customer information. Despite the security measures we have in place, our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, or other similar events. Any security breach, or any perceived failure involving the misappropriation, loss or other unauthorized disclosure of confidential information, as well as any failure or perceived failure to comply with laws, policies, legal obligations or industry standards regarding data privacy and protection, whether by us or our vendors, could damage our reputation, expose us to litigation risk and liability, subject us to negative publicity, disrupt our operations and harm our business. We cannot assure you that our security measures will prevent security breaches or that failure to prevent them will not have a material adverse effect on our business. Further, we do not carry cybersecurity insurance to compensate for any losses that may result from any breach of security. Therefore, our results of operations or financial condition may be materially adversely affected if our existing general liability policies did not cover a security breach.

***New lines of business or new services may subject us to additional risks.***

From time to time, we may implement new lines of business or offer new services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new services may not be achieved and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the successful implementation of a new line of business or a new service. Furthermore, any new line of business and/or new service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new services could have a material adverse effect on our business, results of operations and financial condition.

***We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.***

We regard our trademarks, copyrights, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. We have purchased and registered with the National Copyright Administration of PRC certain copyrights. See “Item 4. Information on the Company – Intellectual Property.” Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, because of the rapid pace of technological change in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms, or at all.

It is often difficult to register, maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

***We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.***

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in China, the United States or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert management’s time and other resources from our business and operations to defend against these claims, regardless of their merits.

Additionally, the application and interpretation of China’s intellectual property right laws and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in China are still evolving and are uncertain, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and results of operations may be materially and adversely affected.

***From time to time we may evaluate and potentially consummate strategic investments or acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results.***

We may evaluate and consider strategic investments, combinations, acquisitions or alliances to further increase the value of our services and better serve our clients. These transactions could be material to our financial condition and results of operations if consummated. If we are able to identify an appropriate business opportunity, we may not be able to successfully consummate the transaction and, even if we do consummate such a transaction, we may be unable to obtain the benefits or avoid the difficulties and risks of such transaction.

Strategic investments or acquisitions will involve risks commonly encountered in business relationships, including:

- difficulties in assimilating and integrating the operations, personnel, systems, data, technologies, products and services of the acquired business;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- difficulties in retaining, training, motivating and integrating key personnel;
- diversion of management's time and resources from our normal daily operations;
- difficulties in successfully incorporating licensed or acquired technology and rights into our services;
- difficulties in maintaining uniform standards, controls, procedures and policies within the combined organizations;
- difficulties in retaining relationships with clients, employees and suppliers of the acquired business;
- risks of entering markets in which we have limited or no prior experience;
- regulatory risks, including remaining in good standing with existing regulatory bodies or receiving any necessary pre-closing or post-closing approvals, as well as being subject to new regulators with oversight over an acquired business;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights or increase our risk for liability;
- failure to successfully further develop the acquired technology;
- liability for activities of the acquired business before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- potential disruptions to our ongoing businesses; and
- unexpected costs and unknown risks and liabilities associated with strategic investments or acquisitions.

We may not make any investments or acquisitions, or any future investments or acquisitions may not be successful, may not benefit our business strategy, may not generate sufficient revenues to offset the associated acquisition costs or may not otherwise result in the intended benefits. In addition, we cannot assure you that any future investment in or acquisition of new businesses or technology will lead to the successful development of new or enhanced services or that any new or enhanced services, if developed, will achieve market acceptance or prove to be profitable.

***Our business depends on the continued efforts of our senior management. If one or more of our key executives were unable or unwilling to continue in their present positions, our business may be severely disrupted.***

Our business operations depend on the continued services of our senior management, particularly the executive officers named in this annual report. While we have provided different incentives to our management, we cannot assure you that we can continue to retain their services. If one or more of our key executives were unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, our future growth may be constrained, our business may be severely disrupted and our financial condition and results of operations may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain qualified personnel. In addition, although we have entered into confidentiality and non-competition agreements with our management, there is no assurance that any member of our management team will not join our competitors or form a competing business. If any dispute arises between our current or former officers and us, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may be unable to enforce them at all.

***Competition for employees is intense, and we may not be able to attract and retain the qualified and skilled employees needed to support our business.***

We believe our success depends on the efforts and talent of our employees, including software engineering, financial and marketing personnel. Our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled employees. Competition for highly skilled technical, and financial personnel is extremely intense. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment.

***A lack of insurance could expose us to significant costs and business disruption.***

We have not yet purchased insurance to cover our assets and property of our business, which could leave our business inadequately protected from loss. If we were to incur substantial losses or liabilities due to fire, explosions, floods, other natural disasters or accidents or business interruption, our results of operations could be materially and adversely affected. Furthermore, Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. Currently, we do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured business disruptions may result in our incurring substantial costs.

***Failure to successfully complete any business acquisition may materially affect our results of operation.***

Because we no longer engage in and does not expect to generate any revenue from the forex trading brokerage business, we plan to acquire other businesses that could potentially complement our existing business activities. There is no assurance at this point, however, that such plan will be executed or any acquisition will be completed. Failure to complete such acquisition could materially affect our future financial performance.

## **Risks Related to Doing Business in China**

***The PRC laws and regulations governing the Company's business operations are sometimes vague and uncertain. Any changes in such PRC laws and regulations as well as in the PRC economic, political, and social conditions may have a material and adverse effect on the PRC economy, and in turn the Company's business.***

There are substantial uncertainties regarding the interpretation and application of the PRC laws and regulations, including but not limited to the laws and regulations governing the Company's business, or the enforcement and performance of the Company's arrangements with customers in the event of the imposition of statutory liens, death, bankruptcy, and criminal proceedings. The Company and any future subsidiaries are considered foreign persons or foreign funded enterprises under the PRC laws, and as a result, the Company is required to comply with the PRC laws and regulations. These laws and regulations are sometimes vague and may be subject to future changes, and their official interpretation and enforcement may involve substantial uncertainty.

***Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our services and materially and adversely affect our competitive position.***

Substantially all of our business operations and R&D are conducted in China. Accordingly, our business, results of operations, financial condition and prospects are subject to economic, political and legal developments in China. Although the Chinese economy is no longer a planned economy, the PRC government continues to exercise significant control over China's economic growth through direct allocation of resources, monetary and tax policies, and a host of other government policies such as those that encourage or restrict investment in certain industries by foreign investors, control the exchange between RMB and foreign currencies, and regulate the growth of the general or specific market. These government involvements have been instrumental in China's significant growth in the past 30 years. In response to the recent global and Chinese economic downturn, the PRC government has adopted policy measures aimed at stimulating the economic growth in China. We voluntarily ceased our forex trading brokerage business and suspended all activities on AGMTrade to ensure compliance with PRC laws, regulations and policies. While we do not foresee our business will be further restricted or affected by the PRC laws and regulations, we may need to further revise our business model to remain compliant. If any aspect of the PRC government's policies limits the growth of our industry or otherwise negatively affects our business, our growth rate or strategy, our results of operations could be adversely affected as a result.

***A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business and financial condition.***

Any prolonged slowdown in the Chinese or global economy may have a negative impact on our business, results of operations and financial condition. In particular, general economic factors and conditions in China or worldwide, including the general interest rate environment and unemployment rates, may affect our customer's participation in forex trading. Economic conditions in China are sensitive to global economic conditions. The global financial markets have experienced significant disruptions since 2008 and the United States, Europe and other economies have experienced periods of recession. The recovery from the lows of 2008 and 2009 has been uneven and there are new challenges, including the escalation of the European sovereign debt crisis from 2011 and the slowdown of China's economic growth since 2012 which may continue. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have also been concerns over unrest in Ukraine, the Middle East and Africa, which have resulted in volatility in financial and other markets. There have also been concerns about the economic effect of the tensions in the relationship between China and surrounding Asian countries. If present Chinese and global economic uncertainties persist, many of our customers may reduce the service they require from us. Adverse economic conditions could also reduce the number of customers seeking our service, as well as their ability to make payments. Should any of these situations occur, our net revenues will decline, and our business and financial conditions will be negatively impacted. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

***Labor laws in the PRC may adversely affect our business and results of operations.***

On June 29, 2007, the PRC government promulgated a new labor law, namely, the Labor Contract Law of the PRC, which became effective on January 1, 2008, which was further amended on December 28, 2012 (effective July 1, 2013). The Labor Contract Law imposes greater liabilities on employers and significantly affects the cost of an employer's decision to reduce its workforce. Further, it requires certain terminations be based upon seniority and not merit. In the event we decide to significantly change or decrease our workforce, the Labor Contract Law could adversely affect our ability to enact such changes in a manner that is most advantageous to our business or in a timely and cost-effective manner, thus materially and adversely affecting our financial condition and results of operations. The Labor Contract Law also mandates that employers provide social welfare packages to all employees, increasing our labor costs. To the extent competitors from outside China are not affected by such requirements, we could be at a comparative disadvantage.

***Fluctuations in exchange rates could result in foreign currency exchange losses.***

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Following the removal of the U.S. dollar peg, the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the RMB to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. In April 2012, the PRC government announced that it would allow more RMB exchange rate fluctuation. On August 11, 2015, the PRC government set the central parity rate for the RMB nearly 2% lower than that of the previous day and announced that it will begin taking into account previous day's trading in setting the central parity rate. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in greater fluctuation of the Renminbi against the U.S. dollar. Substantially all of our revenues and costs are denominated in United States Dollars, while some of our assets and liabilities are denominated in Renminbi. Any significant revaluation of the Renminbi may materially and adversely affect our liquidity and cash flows. To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive. Conversely, if we decide to convert our Renminbi into U.S. dollars for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount we would receive.

***Under the Enterprise Income Tax Law, we may be classified as a "Resident Enterprise" of China. Such classification will likely result in unfavorable tax consequences to us and our non-PRC stockholders.***

China passed an Enterprise Income Tax Law (the "EIT Law") and implementing rules, both of which became effective on January 1, 2008. Under the EIT Law, an enterprise established outside of China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it can be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define de facto management as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

On April 22, 2009, the State Administration of Taxation of China issued the Notice Concerning Relevant Issues Regarding Cognizance of Chinese Investment Controlled Enterprises Incorporated Offshore as Resident Enterprises pursuant to Criteria of de facto Management Bodies, or the Notice, further interpreting the application of the EIT Law and its implementation to offshore entities controlled by a Chinese enterprise or group. Pursuant to the Notice, an enterprise incorporated in an offshore jurisdiction and controlled by a Chinese enterprise or group will be classified as a "non-domestically incorporated resident enterprise" if (i) its senior management in charge of daily operations reside or perform their duties mainly in China; (ii) its financial or personnel decisions are made or approved by bodies or persons in China; (iii) its substantial assets and properties, accounting books, corporate stamps, board and stockholder minutes are kept in China; and (iv) at least half of its directors with voting rights or senior management are often resident in China. A resident enterprise would be subject to an enterprise income tax rate of 25% on its worldwide income and must pay a withholding tax at a rate of 10% when paying dividends to its non-PRC stockholders. However, it remains unclear as to how tax authorities will determine tax residency based on the facts of each case.

If the PRC tax authorities determine that we are a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we may be subject to the enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that income such as non-China source income would be subject to PRC enterprise income tax at a rate of 25%. Currently, approximately 82% of our revenue is non-China source income, so could be adversely affected. Second, under the EIT Law and its implementing rules, dividends paid to us from our PRC subsidiaries would qualify as “tax-exempt income.” Finally, it is possible that future guidance issued with respect to the new “resident enterprise” classification could result in a situation in which a 10% withholding tax is imposed on dividends we pay to our non-PRC stockholders and with respect to gains derived by our non-PRC stockholders from transferring our shares.

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

The State Administration of Foreign Exchange, or SAFE, promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, on July 4, 2014, which replaced the former circular commonly known as “SAFE Circular 75” promulgated by SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing. Moreover, failure to comply with the various SAFE registration requirement could result in liability under PRC law for evasion of foreign exchange controls. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (the “2015 Notice”) released on February 13, 2015 by SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

We have not filed SAFE Circular 37 reports on behalf of our shareholders who are PRC residents before. The failure of our beneficial owners who are PRC residents to register or amend their SAFE registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners or our PRC subsidiaries to fines and legal sanctions. Furthermore, it is unclear how SAFE Circular 37 and the 2015 Notice, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant PRC government authorities, we cannot predict how these regulations will affect our business operations or future strategy. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our PRC subsidiaries and limit our PRC subsidiaries’ ability to distribute dividends to our company. These risks may have a material adverse effect on our business, financial condition and results of operations.

***Uncertainties with respect to the PRC legal system could adversely affect us.***

We provide most of our services through our subsidiaries in China. Although our PRC subsidiaries are not subject to laws and regulations applicable to foreign investments in China, our operations in China are governed by PRC laws and regulations. The PRC legal system is based on statutes. Prior court decisions may be cited for reference but have limited precedential value.

China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. Therefore, PRC legislation and regulations provide very little guidance on Fintech industry. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

***We may be exposed to liabilities under the Foreign Corrupt Practices Act and Chinese anti-corruption law.***

We are subject to the U.S. Foreign Corrupt Practices Act, or FCPA, and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers as defined by the statute for the purpose of obtaining or retaining business. We are also subject to Chinese anti-corruption laws, which strictly prohibit the payment of bribes to government officials. We have operations, agreements with third parties, and make sales in China, which may experience corruption. Our activities in China create the risk of unauthorized payments or offers of payments by one of the employees, consultants or distributors of our company, because these parties are not always subject to our control. We are in process of implementing an anticorruption program, which prohibits the offering or giving of anything of value to foreign officials, directly or indirectly, for the purpose of obtaining or retaining business. The anticorruption program also requires that clauses mandating compliance with our policy be included in all contracts with foreign sales agents, sales consultants and distributors and that they certify their compliance with our policy annually. It further requires that all hospitality involving promotion of sales to foreign governments and government-owned or controlled entities be in accordance with specified guidelines. In the meantime, we believe to date we have complied in all material respects with the provisions of the FCPA and Chinese anti-corruption law.



However, our existing safeguards and any future improvements may prove to be less than effective, and the employees, consultants or distributors of our Company may engage in conduct for which we might be held responsible. Violations of the FCPA or Chinese anti-corruption law may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

***Since our operations and assets are located in the PRC, shareholders may find it difficult to enforce a U.S. judgment against the assets of our company, our directors and executive officers.***

Our operations and assets are located in the PRC. In addition, most of our executive officers and directors are non-residents of the U.S., and substantially all the assets of such persons are located outside the U.S. As a result, it could be difficult for investors to effect service of process in the U.S., or to enforce a judgment obtained in the U.S. against us or any of these persons.

***Regulatory bodies of the United States may be limited in their ability to conduct investigations or inspections of our operations in China.***

From time to time, we may receive requests from certain U.S. agencies to investigate or inspect our operations, or to otherwise provide information. While we will be compliant with these requests from these regulators, there is no guarantee that such requests will be honored by those entities who provide services to us or with whom we associate, especially as those entities are located in China. Furthermore, an on-site inspection of our facilities by any of these regulators may be limited or entirely prohibited. Such inspections, though permitted by us and our affiliates, are subject to the capricious nature of Chinese enforcers, and may therefore be impossible to facilitate.

***The regulation of Internet website operators in China is subject to interpretation, and our operation of online trading platform and education programs could be harmed if we are deemed to have violated applicable laws and regulations.***

The interpretation and application of existing Chinese laws and regulations, the stated positions of the main governing authority, the MIIT, and the possibility of adopting new laws or regulations have created significant uncertainties regarding the legality of the businesses and activities of Chinese companies with Internet operations. In particular, according to the Internet Information Services Administrative Measures promulgated by the State Council on September 25, 2000, the activities of Internet content providers are regulated by various Chinese governmental authorities, including, the MOE, the State Administration of Radio, Film and Television, the General Administration of Press and Publication, or GAPP, and the Ministry of Culture, or MOC, depending on the specific activities conducted by the Internet content provider. In addition, MIIT promulgated a notice titled “Notice on Strengthening Management of Foreign Investment in Operating Value-Added Telecom Services” on July 13, 2006, which prohibits PRC Internet content providers from leasing, transferring or selling their ICP licenses or providing facilities or other resources to foreign investors. The notice states that PRC Internet content providers (or their shareholders) should directly own the trademarks and domain names for websites operated by them, as well as servers and other infrastructure used to support these websites and a PRC Internet content provider’s failure to comply with the notice by November 1, 2006 may result in revocation of its ICP license.

Except for our corporate website ([www.agmprime.com](http://www.agmprime.com)), we only have contractual control over our websites, as the domains are held by our subsidiaries. Among the subsidiaries which holds domain names, AGM Beijing is subject to the PRC laws and regulations. AGM Beijing has submitted ICP filings with the MIIT for all the domain names it holds. However, AGM Beijing may be deemed to be providing commercial internet information services, which would require AGM Beijing to obtain an ICP License. An ICP License is a value-added telecommunications business operating license required for provision of commercial internet information services. Furthermore, as we are providing service through mobile applications to mobile device users, it is uncertain if AGM Beijing will be required to obtain a separate operating license in addition to the ICP License. Although we believe that not obtaining an ICP License or such separate license is in line with the current market practice, there can be no assurance that we will not be required to apply for an operating license for our mobile applications in the future.

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

Under the Enterprise Income Tax Law and its implementation regulations issued by the State Council, a 10% PRC withholding tax is applicable to dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Similarly, any gain realized on the transfer of our ordinary shares by such investors is also subject to PRC tax at a current rate of 10%, subject to any reduction or exemption set forth in relevant tax treaties, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our ordinary shares, and any gain realized from the transfer of our ordinary shares, would be treated as income derived from sources within the PRC and would as a result be subject to PRC taxation. See “Item 4. Information on the Company – Regulation — Regulations on Tax.” Furthermore, if we are deemed a PRC resident enterprise, dividends payable to individual investors who are non-PRC residents and any gain realized on the transfer of our ordinary shares by such investors may be subject to PRC tax at a current rate of 20%, subject to any reduction or exemption set forth in applicable tax treaties. It is unclear whether if we or any of our subsidiaries established outside China are considered a PRC resident enterprise, holders of our ordinary shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas. If dividends payable to our non-PRC investors, or gains from the transfer of our ordinary shares by such investors are subject to PRC tax, the value of your investment in our ordinary shares may decline significantly.

***Restrictions on currency exchange may limit PRC investors' ability to make investment.***

In response to the persistent capital outflow in China and RMB's depreciation against U.S. dollar in the fourth quarter of 2016, the PBOC and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital control measures over recent months, including stricter vetting procedures for Chinese citizens to transfer foreign currency overseas and for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, on January 26, 2017, SAFE issued the Notice of State Administration of Foreign Exchange on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control, or the SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. The PRC government may continue to strengthen its capital controls, and more restrictions and substantial vetting process may be put in place by SAFE for cross-border transactions falling under both the current account and the capital account. Any limitation on the ability of our PRC investors to make capital contribution or make other kinds of payments to us could materially and adversely limit our ability to grow.

**Risks Related to Our Corporate Structure and Operation**

***The dual-class structure of our ordinary shares has the effect of concentrating voting control with those shareholders who held our shares prior to our initial public offering, including our executive officers, employees and directors and their affiliates, which will limit your ability to influence the outcome of important transactions, including a change in control.***

Under our memorandum and articles of association, we are authorized to issue 200,000,000 Class A Ordinary Shares of \$0.001 par value per share and 200,000,000 Class B Ordinary Shares of \$0.001 par value per share. As of the date of this report, there are 21,316,055 Class A Ordinary Shares and 11,900,000 Class B Ordinary Shares issued and outstanding. Each of our Class B Ordinary Shares has five (5) votes per share, and each of our Class A Ordinary Shares has one (1) vote per share. Because of the five-to-one voting ratio between our Class B Ordinary Shares and Class A Ordinary Shares, the holders of our Class B Ordinary Shares collectively control a majority of the combined voting power of our ordinary shares and therefore are able to control all matters submitted to our shareholders for approval even when the shares of Class B Ordinary Shares represent a minority of all outstanding shares of our Class A Ordinary Shares and Class B Ordinary Shares. These holders of our Class B Ordinary Shares may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. The directors and executive officers beneficially own a majority of the outstanding Class A Ordinary Shares and all of the outstanding Class B Ordinary Shares as of the date hereof. As of the date of this report, our directors and executive officers directly and indirectly hold an aggregate of approximately 89.60% of the combined voting power. Our directors and executive officers have voting and dispositive power of all outstanding Class B Ordinary Shares. Mr. Zhentao Jiang, our chairman of the board, holds approximately 49.99% of the combined voting power. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our shareholders of an opportunity to receive a premium for their ordinary shares as part of a sales of our company and might ultimately affect the market price of our Class A Ordinary Shares.

***British Virgin Islands companies may not be able to initiate shareholder derivative actions, thereby depriving shareholders of the ability to protect their interests.***

British Virgin Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. The circumstances in which any such action may be brought, and the procedures and defenses that may be available in respect to any such action, may result in the rights of shareholders of a British Virgin Islands company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The British Virgin Islands courts are also unlikely to recognize or enforce against us judgments of courts in the United States based on certain liability provisions of U.S. securities law; and to impose liabilities against us, in original actions brought in the British Virgin Islands, based on certain liability provisions of U.S. securities laws that are penal in nature. There is no statutory recognition in the British Virgin Islands of judgments obtained in the United States, although the courts of the British Virgin Islands will generally recognize and enforce the non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. This means that even if shareholders were to sue us successfully, they may not be able to recover anything to make up for the losses suffered.

***The laws of the British Virgin Islands provide little protection for minority shareholders, so minority shareholders will have little or no recourse if they are dissatisfied with the conduct of our affairs.***

Under the law of the British Virgin Islands, there is little statutory law for the protection of minority shareholders other than the provisions of the BVI Business Companies Act (the “BVI Act”) dealing with shareholder remedies. The principal protection under statutory law is that shareholders may bring an action to enforce the company’s memorandum and articles of association. Shareholders are entitled to have the affairs of the company conducted in accordance with the general law and the company’s memorandum and articles of association.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the British Virgin Islands for business companies is limited. Under the general rule pursuant to English company law known as the rule in *Foss v. Harbottle*, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company’s affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the company conducted properly according to law and the constituent documents of the corporation. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company’s memorandum and articles of association, then the courts will grant relief. Generally, the areas in which the courts will intervene are the following: (1) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (2) acts that constitute fraud on the minority where the wrongdoers control the company; (3) acts that infringe on the personal rights of the shareholders, such as the right to vote; and (4) where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded minority shareholders under the laws of many states in the United States.

#### **Risks Related to Ownership of Our Class A Ordinary Shares**

***The trading price of our Class A Ordinary Shares has been, and is likely to continue to be, volatile; you might not be able to sell your shares at or above the price that you paid for them and we may not be able to stop the decline of our stock price.***

The trading price of our Class A Ordinary Shares has been, and is likely to continue to be, volatile, and may be influenced by numerous factors, some of which are beyond our control; you might not be able to sell your shares at or above the price that you paid for them. Factors that could cause volatility in the market price of our common stock include, but are not limited to:

- actual or anticipated fluctuations in our revenue and other operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of significant services or features, technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;

- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- other events or factors, including those resulting from war or incidents of terrorism, or responses to these events

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

***We are a “foreign private issuer,” and our disclosure obligations differ from those of U.S. domestic reporting companies. As a result, we may not provide you the same information as U.S. domestic reporting companies or we may provide information at different times, which may make it more difficult for you to evaluate our performance.***

We are a foreign private issuer and, as a result, we are not subject to the same requirements as U.S. domestic issuers. Under the Exchange Act, we will be subject to reporting obligations that, to some extent, are more lenient and less frequent than those of U.S. domestic reporting companies. For example, we will not be required to issue quarterly reports or proxy statements. We will not be required to disclose detailed individual executive compensation information. Furthermore, our directors and executive officers will not be required to report equity holdings under Section 16 of the Exchange Act and will not be subject to the insider short-swing profit disclosure and recovery regime.

As a foreign private issuer, we will also be exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. However, we will still be subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5 under the Exchange Act. Since many of the disclosure obligations imposed on us as a foreign private issuer differ from those imposed on U.S. domestic reporting companies, you should not expect to receive the same information about us and at the same time as the information provided by U.S. domestic reporting companies.

***We are an “emerging growth company,” and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our Class A Ordinary Shares less attractive to investors.***

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although we could lose that status sooner if our revenues exceed \$1 billion, if we issue more than \$1 billion in non-convertible debt in a three-year period, or if the market value of our Class A Ordinary Shares held by non-affiliates exceeds \$700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict if investors will find our Class A Ordinary Shares less attractive because we may rely on these exemptions. If some investors find our Class A Ordinary Shares less attractive as a result, there may be a less active trading market for our Class A Ordinary Shares and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail our company of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

***As a “controlled company” under the rules of the NASDAQ Capital Market, we may exempt our company from certain corporate governance requirements that could adversely affect our public shareholders.***

Our directors and officers beneficially own a majority of the voting power of our outstanding ordinary shares. Under the Rule 4350(c) of the NASDAQ Capital Market, a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including the requirement that a majority of our directors to be independent, as defined in the NASDAQ Capital Market rules, and the requirement that our compensation and nominating and corporate governance committees consist entirely of independent directors. Although we do not intend to rely on the “controlled company” exemption under the NASDAQ Capital Market rules, we could elect to rely on this exemption in the future. If we elected to rely on the “controlled company” exemption, a majority of the members of our board of directors might not be independent directors and our nominating and compensation committees might not consist entirely of independent directors. Accordingly, while we remain a controlled company relying on the exemption and during any transition period following a time when we are no longer a controlled company, you would not have the same protections afforded to shareholders of companies that are subject to all of the NASDAQ Capital Market corporate governance requirements.

***We do not intend to pay dividends for the foreseeable future.***

We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. As a result, you may only receive a return on your investment in our Class A Ordinary Shares if the market price of our Class A Ordinary Shares increases.

***We will incur additional costs as a result of becoming a public company, which could negatively impact our net income and liquidity.***

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, Sarbanes-Oxley and rules and regulations implemented by the SEC and the Nasdaq Capital Market require significantly heightened corporate governance practices for public companies. We expect that these rules and regulations will increase our legal, accounting and financial compliance costs and will make many corporate activities more time-consuming and costly.

We do not expect to incur materially greater costs as a result of becoming a public company than those incurred by similarly sized U.S. public companies. If we fail to comply with these rules and regulations, we could become the subject of a governmental enforcement action, investors may lose confidence in us and the market price of our Class A Ordinary Shares could decline.

***The requirements of being a public company may strain our resources and divert management’s attention.***

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the securities exchange on which we list, and other applicable securities rules and regulations. Despite recent reforms made possible by the JOBS Act, compliance with these rules and regulations will nonetheless increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an “emerging growth company.” The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results.

As a result of disclosure of information in this annual report and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business, brand and reputation and results of operations.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

***The obligation to disclose information publicly may put us at a disadvantage to competitors that are private companies.***

As a publicly listed company, we are required to file periodic reports with the Securities and Exchange Commission upon the occurrence of matters that are material to our company and shareholders. In some cases, we will need to disclose material agreements or results of financial operations that we would not be required to disclose if we were a private company. Our competitors may have access to this information, which would otherwise be confidential. This may give them advantages in competing with our company. Similarly, as a U.S.-listed public company, we will be governed by U.S. laws that our competitors, which are mostly private Chinese companies, are not required to follow. To the extent compliance with U.S. laws increases our expenses or decreases our competitiveness against such companies, our public listing could affect our results of operations.

#### **ITEM 4. INFORMATION ON THE COMPANY**

##### **A. History and Development of the Company**

AGM Group Holdings Inc. (“AGM Holdings”) was incorporated on April 27, 2015 under the laws of the British Virgin Islands (“BVI”).

AGM Technology Limited (“AGM HK”) was incorporated on May 21, 2015 under the law of Hong Kong. AGM HK is a wholly-owned subsidiary of AGM Holdings and its principal activity is providing our core service to customers.

Shenzhen AnGaoMeng Financial Technology Service Co., Ltd. (“AGM Shenzhen”) was incorporated on October 13, 2015 in Shenzhen under the laws of the People’s Republic of China. As a wholly-owned subsidiary of AGM HK and a wholly foreign-owned entity under the PRC laws, AGM Shenzhen’s registered capital is RMB1,000,000. AGM Shenzhen was incorporated for the purpose of being a holding company for the equity interests in PRC. AGM Shenzhen did not conduct any operations or own any material assets or liabilities except for cash, insignificant expense and the 100% of the equity interests in AGM Beijing and AGM Nanjing. AGM Shenzhen was incorporated in Shenzhen because Shenzhen is geographically close to Hong Kong, where our subsidiary AGM HK was incorporated. AGM Shenzhen will rely on AGM HK in the future to carry out its business.

Beijing AnGaoMeng Technology Service Co., Ltd. (“AGM Beijing”) was incorporated on November 13, 2015 in Beijing under the laws of the People’s Republic of China. AGM Beijing’s registered capital is RMB5,000,000. Through equity transfers, AGM Beijing is a wholly-owned subsidiary of AGM Shenzhen and its principal activities include software design, technology transfer, technology consulting, technology promotion and data processing. AGM Beijing holds an ICP filing for our online trading platform and education programs. AGM Beijing was incorporated in Beijing because almost all of our employees were and still are located in Beijing. In order to comply with the PRC law regarding employee’s social benefits, which are regulated separately in each city or province, it is more practical for us to locate our office in Beijing so that we can pay for the employees’ social benefits with the local government agency.

Nanjing XinGaoMeng Software Technology Co., Ltd. (“AGM Nanjing”) was incorporated on September 28, 2016 in Nanjing under the laws of the People’s Republic of China. AGM Nanjing’s registered capital is RMB1,000,000. Through equity transfers, AGM Nanjing is a wholly-owned subsidiary of AGM Shenzhen and its principal activities include software design, technology transfer, technology consulting, technology promotion and data processing. AGM Nanjing was incorporated in Nanjing because Nanjing is geographically in the Yangtze River Delta and is close to Shanghai. We plan to expand our services to the market in the Yangtze River Delta through AGM Nanjing.

AGM Software Service LTD (“AGM Software”) was incorporated on June 14, 2017 under the laws of BVI. AGM Software is a wholly-owned subsidiary of AGM Holdings and its principal activity will be assisting AGM HK in providing our core technology services to customers.

AGMTrade UK LTD (“AGM UK”) was incorporated on July 18, 2017 under the law of England and Wales. AGM UK is a wholly-owned subsidiary of AGM Holdings and its principal activity will be advertising on a global scale, and providing our core technology services and consulting services to our customers. AGM UK was incorporated in the United Kingdom because we have discovered potential customers in the UK.

AGM Trade Global PTY LTD (“AGM Australia”) was incorporated on July 25, 2017 under the law of Australia. AGM Australia is a wholly-owned subsidiary of AGM Holdings. It was formed with the vision to possibly expand our service to customers located in Australia.

AGMClub Service Limited (“AGMClub”) was incorporated on August 14, 2017 under the law of Hong Kong. AGMClub is a wholly-owned subsidiary of AGM Holdings and its primary activity is to provide online marketing on a global scale, including the greater China area.

On May 24, 2018, AGM Holdings completed the acquisition of 100% of the equity of AGM Global Asset Management Limited (“AGM Global”), under the law of Cayman Islands. AGM Global is a wholly-owned subsidiary of AGM Holdings and its primary activity is to provide online marketing on a global scale, especially the greater China area.

##### **B. Business Overview**

Incorporated on April 27, 2015, under the laws of the British Virgin Islands (“BVI”), we see ourselves as a financial technology company and financial solutions provider, focused on delivering innovative trading platform solutions and technologies that enable brokers and institutional clients to have a better user experience. We strive to become a one-stop solution provider that focuses on providing financial technology service to brokers and institutional clients. We are currently primarily engaged in two core businesses: (i) software development of online trading platform application and computer program technical support and solution service; and (ii) online financial education program. As a group, we integrate innovations with high-quality services. We see ourselves as a financial technology company and financial solutions provider, focused on delivering innovative solutions and technologies that enable individuals and institutional clients to get better user experience.

Our business, a substantial majority of which is composed of our Online Trading and Computer Support Service, is not subject to PRC foreign investment and ownership restrictions. Substantially all of our business operations and research and development are conducted in the China. Also, substantially all of our employees are located in China. Our team is comprised of a group of people who are experienced in the areas of finance, IT, software R&D and marketing.

We have a total of 26 full-time employees supporting in five departments. We have 15 employees in the Research and Development Department, which is the core of our innovation and business. Research and Development Department is supported by the 1 employee from the Finance Department and 3 employees from the Human Resource and Administration Department. Additionally, all of our services are marketed and promulgated through our Operation Department, which is consisted of 3 employees in the marketing group, 3 employees in the transaction group, 14 employees in the risk management group and 5 employees in the business group.

We promote our brand through direct communications with potential clients and referrals. In addition, we tailor our services to meet the needs of our clients and provide them with competitive pricing to establish long-term business relationships. We take pride in the cutting-edge technology and superb quality of our services.

### **Our Core Services**

We are currently developing a commodity trading software to be launched in September 2019. We aim to offer to small and medium sized financial institutions in China with solutions that could enhance the efficiency of their trading systems. We have conducted trials among a small group of users and are improving the software based on the feedbacks. We plan to charge subscription fee for our future trading software.

We also provide online education services through our subsidiaries, AGM HK and AGM Beijing. Our targeted users are those who would like to learn basic finance knowledge, especially in trading financial instruments and in trading markets. Users can access contents created by our team members and third-party content providers. We also provide trading simulator, offering users with real-time practice environment. We charge a subscription fee for using our online education. We also generate revenue by hosting contests and uploading content sponsored by financial institutes.



## ***Discontinued Business***

### *Forex trading brokerage business*

Prior to September 5, 2018, we owned 100% equity interest in AGM Group Ltd. (“AGM Belize”), a Belize corporation, through which we engaged in the forex trading brokerage service with a license provided by the International Financial Services Commission of Belize (“IFSC”) under the license number IFSC/60/448/FX/17 (the “IFSC License”). AGM Belize also provided its users with trading in spot precious metals and spot oil as these commodities are conventionally categorized as spot forex. AGM Belize also operated a social trading network platform under AGMTrade, on which users were able to participate in various trading programs through brokerage services offered by AGM Belize.

Aggregate revenue generated from AGM Belize’s services accounted for approximately 2.5% (1.5% of change from 1% due to reclassification) and 11% (including service of 6% and trading of 5%) of the Company’s total revenue in fiscal years ended December 31, 2017 and 2016, respectively. AGM Belize held approximately \$15.9 million in assets (including approximately \$12.5 million categorized as transaction monetary assets held for clients) and \$14.2 million in liabilities (including approximately \$12.5 million categorized as deposits payable, which offset the total transaction monetary assets held for clients) as of December 31, 2017. AGM Belize’s assets and liabilities consisted of approximately 64% and 85% of the Company’s total assets and liabilities, respectively, with customers deposits consisting of the majority of such.

Recently, the central government of the People’s Republic of China initiated a certain policy change that would no longer support our forex-trading related business. In addition, the access to certain accounts holding the deposits payable have been restricted by local regulators due to this policy change. In order to ensure compliance with PRC laws, regulations and policies, the Company voluntarily ceased its forex trading brokerage business and suspended such activities on AGMTrade, a social network platform operated by other subsidiaries of the Company, as they would fall within the scope of the government initiative.

We have been closely monitoring the development of the matter and have been actively working with representatives of the Beijing government to resolve all issues arising from the ceased operation and those relating to the transaction monetary assets held for its customers. We are currently liable for any outstanding customers deposits payable, as there can be no assurance that we will be given access to those accounts in the near future. Such financial obligation may have a material adverse effect on our future results of operations and future development of our business.

On September 5, 2018, we and our Chairman, Zhentao Jiang, entered into an equity acquisition agreement pursuant to which we agreed to sell to Jiang a 90% equity interest in AGM Belize for \$450,000, which is 90% of AGM Belize’s estimated value of \$500,000. The transaction has been duly authorized by our shareholders, audit committee and the board of directors, and has been approved by the Belize Registry and The Nasdaq Stock Market LLC. Upon consummation of the Transaction, we maintain a 10% equity interest in AGM Belize to continue to hold the IFSC License.

As a result, we no longer engage in and does not expect to generate any revenue from the forex trading brokerage business, including AGMTrade.

#### *Online Forex Trading Service*

Prior to September 2018, we, through AGM Belize, hold licenses to a core trading platform known as the MetaTrader, which is the most widely-used platform for trading forex, analyzing financial markets and using automatic programing tools.

Due to the same legal compliance reasons, we have discontinued the online forex trading service since September 2018.

Aggregate revenue generated from online trading services accounted for 91%, 97.5% (1.5% of change from 99% due to reclassification) and 89% of all the total revenue in fiscal year 2018, 2017 and 2016, respectively.

#### **Sales Channels and Long Term Opportunities**

Due to our limited operating history, we have not developed a comprehensive marketing strategy. Currently, we are marketing our services through direct communication with potential clients. We believe word-of-mouth is an especially effective marketing tool for our professional services. To further promote our brand, we also take advantage of the Internet, through which we introduce basic services information, market research and updates to our clients. We plan to invest in marketing to promote our brand and acquire more customers. We expect that our long-term opportunities will develop as we emphasize on marketing and signing new clients.

#### **Customers and Suppliers**

##### *Customers*

Our main clients are institutional clients. We consider our major customers to be those customers that accounted for more than 10% of sales revenue. We had three such customers during the fiscal year ended December 31, 2018, which were Rising International Management Company Limited, IIG Ltd. and Dalian Aoyuan Electronics Co., Ltd. We had six such customers during the fiscal year ended December 31, 2017, which were IIG Ltd., Rising International Management Company Limited, HK Diansheng Investment Management Ltd., ISR Trading Limited, Magellan Holdings Limited, and Allrun Electronics Co., Ltd.

Taking IIG Ltd. as an example, in the Technology Service Agreement between AGM HK (the "Licensor") and IIG Ltd. (the "Licensee"), dated December 25, 2017,

- The Licensor will provide Technology White Label Services, which may include MT4 softwares, Liquidity Bridge, Plugin, Web Services, API, Binary Option MT4 Plugin, Web Trading Terminal, Mobile Trading Terminal, Web-based Social Trading Terminal, Signal and Data Service and Customer Support to the Licensee, including all written or electronic documentation, user manuals and other documents pertaining to Licensor Technology White Label.
- The Licensor will provide installation, debugging, operation and maintenance of server and application program, training and support of certain service component.
- The service component shall be delivered in electronic form as program installation files, to be downloaded by the Licensee via the Internet.
- The Licensor does not provide services of an Internet provider. It shall not be held liable for any Internet communication or equipment failure, delays in reporting of transactions in accounting books or other confirmation or any faults in electric circuits.
- The Licensor shall not be liable for any legal actions or claims of the Licensee's customers arising from the operation or the use of the Core Trading Platform or the Expert Advisors.
- The Licensee agrees to pay service fees.
- The Licensee agrees to follow the guideline provided by the Licensor on the proper use of the components and shall not engage in illegal activities.

For the years ended December 31, 2018 and 2017, customers accounting for 10% or more of the Company's net revenues were as follows:

<b>Customers</b>	<b>For the Years Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
IIG Ltd.	24%	18%
Dalian Aoyuan Electronics Co., Ltd. fka Allrun Electronics Co., Ltd	19%	11%
Rising International Management Company Limited	19%	15%
HK Diansheng Investment Management Ltd.	*	10%
ISR Trading Limited	*	11%
Magellan Holdings Limited	*	11%

\* Less than 10%

#### *Suppliers*

We consider our major supplier to be those suppliers that accounted for more than 10% of overall purchasing. We had two such suppliers during the fiscal year ended December 31, 2018, which were Yuenyu Industry Technology Co. Limited, Kaisheng Yin, and Dong Yi.

We had three such suppliers during the fiscal years ended December 31, 2017, which were Yuenyu Industry Technology Co. Limited, Kaisheng Yin, and Dong Yi.

Taking Yuenyu Industry Technology Co. Limited as an example, in the MT4 MT5 Software Platform Maintenance and Technology License Agreement between AGM HK (the "Licensee") and Yuenyu Industry Technology Co. Limited (the "Licensor"), dated December 12, 2017,

- The Licensor will provide Technology White Label Services, which may include MT4 software, Liquidity Bridge, Plugin, Web Services, API, Binary Option MT4 Plugin, Web Trading Terminal, Mobile Trading Terminal, Web-based Social Trading Terminal, Signal and Data Service and Customer Support to the Licensee, including all written or electronic documentation, user manuals and other documents pertaining to Licensor Technology White Label.
- The Licensor will provide installation, debugging, operation and maintenance of server and application program, training and support of certain service component.
- The service component shall be delivered in electronic form as program installation files, to be downloaded by the Licensee via the Internet.
- The Licensor does not provide services of an Internet provider. It shall not be held liable for any Internet communication or equipment failure, delays in reporting of transactions in accounting books or other confirmation or any faults in electric circuits.
- The Licensor shall not be liable for any legal actions or claims of the Licensee's customers arising from the operation or the use of the Core Trading Platform or the Expert Advisors.
- The Licensee agrees to pay service fees.
- The Licensee agrees to follow the guideline provided by the Licensor on the proper use of the components and shall not engage in illegal activities.

For the years ended December 31, 2018 and 2017, suppliers accounting for 10% or more of the Company's purchases were as follows:

<b>Suppliers</b>	<b>For the Years Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
Kaisheng Yin	*	10%
Dong Yi	10%	10%
Yuenyu Industry Technology Co., Ltd.	15%	21%

\* Less than 10%

## Employees

As of December 31, 2018, we have a total of 26 full-time employees supporting in the following departments:

<b>Department</b>	<b>Number of Employees</b>	<b>% of Total</b>
Software and Technology Department	15	58%
Administration Department	4	15%
Accounting Department	3	12%
Product Development Department	4	15%
Total	26	

Our employees are not represented by a labor organization or covered by a collective bargaining agreement. We believe that we maintain a good working relationship with our employees and we have not experienced any significant labor disputes. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. As required by regulations in China, we participate in various employee social security plans that are organized by local governments. We pay social insurance for 23 of the 26 full time employees, covering housing fund and all five types of social insurance, including pension, medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. All monthly payments were made on time. The rest 3 employees have their social benefits paid elsewhere and do not want to transfer their already paid social benefits to AGM Beijing or AGM Nanjing.

## Regulations

### Regulation of Internet Information Services

Internet information services are regulated by the Administrative Measures on Internet Information Services, or the ICP Measures, promulgated on September 25, 2000 by the State Council and amended on January 8, 2011. "Internet information services" are defined as services that provide information to online users through the internet. Internet information services providers, also called Internet content providers, or ICPs, that provide commercial services are required to obtain an operating license from the MIIT or its provincial counterpart.

To the extent the internet information services provided relate to certain matters, including news, publication, education or medical and health care (including pharmaceutical products and medical equipment), approvals must also be obtained from the relevant industry regulators in accordance with the laws, rules and regulations governing those industries.

### Regulation of Internet Content

The PRC government has promulgated measures relating to Internet content through various ministries and agencies, including the MIIT, the News Office of the State Council, the Ministry of Culture and the General Administration of Press and Publication. In addition to various approval and license requirements, these measures specifically prohibit internet activities that result in the dissemination of any content which is found to contain pornography, promote gambling or violence, instigate crimes, undermine public morality or the cultural traditions of the PRC or compromise State security or secrets. ICPs must monitor and control the information posted on their websites. If any prohibited content is found, they must remove such content immediately, keep a record of it and report to the relevant authorities. If an ICP violates these measures, the PRC government may impose fines and revoke any relevant business operation licenses.

## **Regulation of Internet Security**

The Decision in Relation to Protection of the Internet Security enacted by the SCNPC on December 28, 2000 provides that the following activities conducted through the Internet are subject to criminal punishment:

- gaining improper entry into a computer or system of strategic importance;
- disseminating politically disruptive information or obscenities;
- leaking State secrets;
- spreading false commercial information; or
- infringing intellectual property rights.

The Administrative Measures on the Security Protection of Computer Information Network with International Connections, issued by the Ministry of Public Security on December 16, 1997 and amended on January 8, 2011, prohibit the use of the Internet in a manner that would result in the leakage of State secrets or the spread of socially destabilizing content. If an ICP violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its websites.

## **Regulation Relating to Privacy Protection**

Under the ICP Measures, ICPs are prohibited from producing, copying, publishing or distributing information that is humiliating or defamatory to others or that infringes upon the lawful rights and interests of others. Depending on the nature of the violation, ICPs may face criminal charges or sanctions by PRC security authorities for such acts, and may be ordered to suspend temporarily their services or have their licenses revoked.

Under the Several Provisions on Regulating the Market Order of Internet Information Services, issued by the MIIT on December 29, 2011, ICPs are also prohibited from collecting any user personal information or providing any such information to third parties without the consent of a user. ICPs must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information and may only collect such information necessary for its services. ICPs are also required to properly maintain the user personal information, and in case of any leak or likely leak of the user personal information, ICPs must take remedial measures immediately and report any material leak to the telecommunications regulatory authority.

In addition, the Decision on Strengthening Network Information Protection promulgated by the Standing Committee of the National People's Congress on December 28, 2012 emphasizes the need to protect electronic information that contains individual identification information and other private data. The decision requires ICPs to establish and publish policies regarding the collection and use of personal electronic information and to take necessary measures to ensure the security of the information and to prevent leakage, damage or loss. Furthermore, MIIT's Rules on Protection of Personal Information of Telecommunications and Internet Users promulgated on July 16, 2013 contain detailed requirements on the use and collection of personal information as well as the security measures to be taken by ICPs.

The PRC government retains the power and authority to order ICPs to provide an Internet user's personal information if such user posts any prohibited content or engages in any illegal activities through the Internet.

## **Regulations on Intellectual Property Rights**

*Patent.* Patents in the PRC are principally protected under the Patent Law of the PRC. The duration of a patent right is either 10 years or 20 years from the date of application, depending on the type of patent right.

*Copyright.* Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the PRC and related rules and regulations. Under the Copyright Law, the term of protection for copyrighted software is 50 years.

*Trademark.* Registered trademarks are protected under the Trademark Law of the PRC and related rules and regulations. Trademarks are registered with the Trademark Office of the SAIC. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked. We are in the process of having our trademark registered in PRC, and we have registered some trademarks in Hong Kong.

*Domain Names.* Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

### **Regulations on Dividend Distributions**

One of our PRC subsidiaries, AGM Shenzhen, is a wholly foreign-owned enterprise under the PRC law. The principal regulations governing the distribution of dividends paid by wholly foreign-owned enterprises include:

- Corporate Law (1993) as amended in 2005 and 2013;
- The Wholly Foreign-Owned Enterprise Law (1986), as amended in 2000;
- The Wholly Foreign-Owned Enterprise Law Implementation Regulations (1990), as amended in 2001; and
- The Enterprise Income Tax Law (2007) and its Implementation Regulations (2007).

Under these regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, an enterprise in China is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until its cumulative total reserve funds reaches 50% of its registered capital. Our Company's reserve fund has not yet reached this level. The board of directors of a wholly foreign-owned enterprise has the discretion to allocate a portion of its after-tax profits to its employee welfare and bonus funds. These reserve funds, however, may not be distributed as cash dividends.

On March 16, 2007, the National People's Congress enacted the Enterprise Income Tax Law, and on December 6, 2007, the State Council issued the Implementation Regulations on the Enterprise Income Tax Law, both of which became effective on January 1, 2008. Under this law and its implementation regulations, dividends payable by a foreign-invested enterprise in the PRC to its foreign investor who is a non-resident enterprise will be subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a lower withholding tax rate.

Nevertheless, AGM Shenzhen currently do not have assets or operation of business, and we have no present plans to declare dividends and plan to retain our earnings to continue to grow our business.

### **Regulations on Tax**

#### ***PRC Enterprise Income Tax***

The PRC enterprise income tax, or EIT, is calculated based on the taxable income determined under the applicable EIT Law and its implementation rules, which became effective on January 1, 2008. The EIT Law imposes a uniform enterprise income tax rate of 25% on all resident enterprises in China, including foreign-invested enterprises.

Uncertainties exist with respect to how the EIT Law applies to our tax residence status and our offshore subsidiaries. Under the EIT Law, an enterprise established outside of China with a “de facto management body” within China is considered a “resident enterprise,” which means that it is treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. Although the implementation rules of the EIT Law define “de facto management body” as a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise, the only official guidance for this definition currently available is set forth in Circular 82 issued by the State Administration of Taxation, which provides guidance on the determination of the tax residence status of a Chinese-controlled offshore incorporated enterprise, defined as an enterprise that is incorporated under the laws of a foreign country or territory and that has a PRC enterprise or enterprise group as its primary controlling shareholder.

According to Circular 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met:

- the primary location of the day-to-day operational management is in the PRC;
- decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC;
- the enterprise’s primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in the PRC; and
- 50% or more of voting board members or senior executives habitually reside in the PRC.

We believe that we meet the conditions outlined in the immediately preceding paragraph and should be treated as a “resident enterprise” for PRC tax purposes if the criteria for “de facto management body” as set forth in Circular 82 were deemed applicable to us. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body” as applicable to our offshore entities, we will continue to monitor our tax status. See “Risk Factors — Risks Related to Doing Business in China — *Under the Enterprise Income Tax Law, we may be classified as a “Resident Enterprise” of China. Such classification will likely result in unfavorable tax consequences to us and our non-PRC stockholders.*”

In the event that we or any of our offshore subsidiaries is considered to be a PRC resident enterprise: (1) we or our offshore subsidiaries, as the case may be, may be subject to the PRC enterprise income tax at the rate of 25% on our worldwide taxable income; (2) dividend income that we or our offshore subsidiaries, as the case may be, receive from our PRC subsidiaries may be exempt from the PRC withholding tax; and (3) dividends paid to our overseas shareholders who are non-PRC resident enterprises as well as gains realized by such shareholders from the transfer of our shares may be regarded as PRC-sourced income and as a result be subject to PRC withholding tax at a rate of up to 10%, and similarly, dividends paid to our overseas shareholders who are non-PRC resident individuals, as well as gains realized by such shareholders from the transfer of our shares, may be regarded as PRC-sourced income and as a result be subject to PRC withholding tax at a rate of 20%, subject to the provision of any applicable agreement for the avoidance of double taxation.

Under SAT Circular 698 and Bulletin 7, if a non-resident enterprise transfers “PRC taxable assets” of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company without reasonable commercial purpose, the parties involved in the indirect transfer of the PRC taxable assets and the PRC resident enterprise whose equity is transferred indirectly, may report such equity transfer matter to the PRC competent tax authority of the PRC resident enterprise. The PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding, or deferring PRC tax. As a result, gains derived from such disposition may be subject to a PRC withholding tax rate of up to 10%. Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price which is not on an arm’s length basis and results in reducing the taxable income, the relevant tax authority has the power to make a reasonable adjustment as to the taxable income of the transaction. Circular 698 was retroactively effective on January 1, 2008. On February 3, 2015, the State Administration of Taxation released SAT Bulletin 7 to amend and clarify several issues related to Circular 698. According to SAT Bulletin 7, the term “PRC taxable assets” includes assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises; and when determining whether there is a “reasonable commercial purpose” of the transaction arrangement, factors to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. If Circular 698 and Bulletin 7 were determined by the tax authorities to be applicable to us, our offshore subsidiaries and our non-resident enterprise investors, we, our offshore subsidiaries and our non-resident enterprise investors might be required to expend valuable resources to comply with this circular, which may materially and adversely affect us or our non-resident enterprise investors. See “Risk Factors — Risks Related to Doing Business in China — We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a PRC establishment of a non-PRC company, or other assets attributable to a PRC establishment of a non-PRC company.”

Under applicable PRC laws, payers of PRC-sourced income to non-PRC residents are generally obligated to withhold PRC income taxes from the payment. In the event of a failure to withhold, the non-PRC residents are required to pay such taxes on their own. Failure to comply with the tax payment obligations by the non-PRC residents will result in penalties, including full payment of taxes owed, fines and default interest on those taxes.

### **PRC Value-added Tax**

Pursuant to the Pilot Measure for Imposition of Value-Added Tax to Replace Business Tax for Transport and Shipping Industry and Some of the Modern Service Industries, promulgated by the Ministry of Finance and the State Administration of Taxation on November 16, 2011 (the "Pilot Measure"), any entity or individual conducting business in some modern service industry, such as the service we are engaging in, is generally required to pay a value-added tax, or VAT, at the rate of 6% on the revenues generated from providing such services. A taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the modern services provided.

On March 30, 2016, the Ministry of Finance and the State Administration of Taxation promulgated the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax. Pursuant to this notice, from May 1, 2016, a value-added tax will generally be imposed to replace the business tax in the construction industry, real estate industry, finance industry, consumer service industry and other industries on a nationwide basis.

### **SAFE Circular 37**

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

### **Share Option Rules**

Under the Administration Measures on Individual Foreign Exchange Control issued by the PBOC on December 25, 2006, all foreign exchange matters involved in employee share ownership plans and share option plans in which PRC citizens participate require approval from SAFE or its authorized branch. Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In addition, under the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plans of Overseas Publicly-Listed Companies, or the Share Option Rules, issued by SAFE on February 15, 2012, PRC residents who are granted shares or share options by companies listed on overseas stock exchanges under share incentive plans are required to (i) register with SAFE or its local branches, (ii) retain a qualified PRC agent, which may be a PRC subsidiary of the overseas listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the share incentive plans on behalf of the participants, and (iii) retain an overseas institution to handle matters in connection with their exercise of share options, purchase and sale of shares or interests and funds transfers.

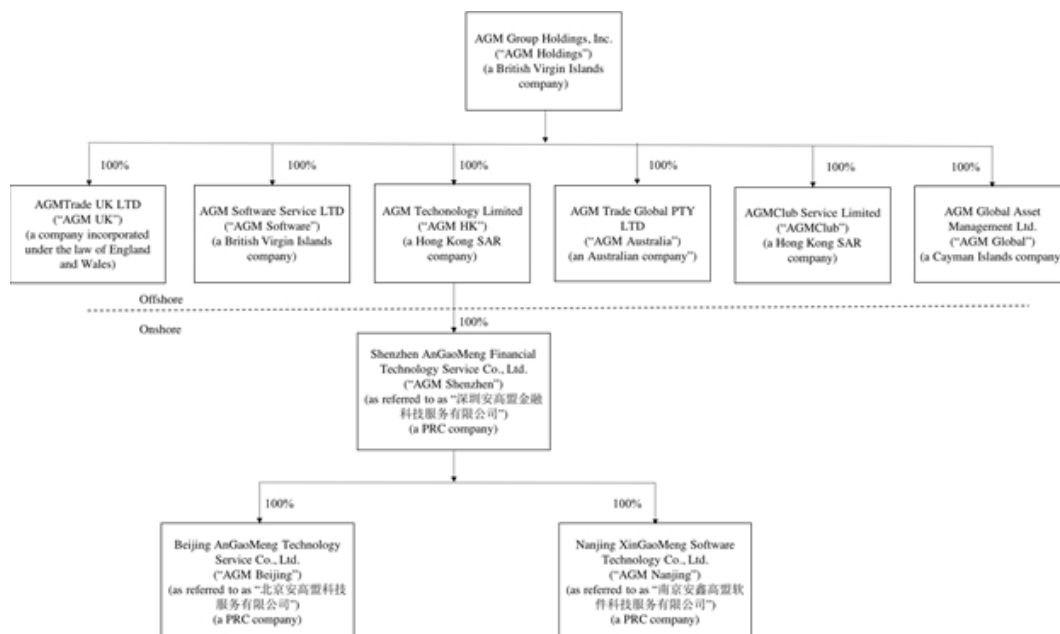
### **Employment Laws**

In accordance with the PRC National Labor Law, which became effective in January 1995, and the PRC Labor Contract Law, which became effective in January 2008, as amended subsequently in 2012, employers must execute written labor contracts with full-time employees in order to establish an employment relationship. All employers must compensate their employees equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with appropriate workplace safety training. In addition, employers in China are obliged to pay contributions to the social insurance plan and the housing fund plan for employees. We have contributed to the basic and minimum social insurance plan. Due to a high employee turnover rate in our industry, it is difficult for us to comply fully with the law. While we believe that we have made adequate provision of such outstanding amounts of contributions to such plans in our financial statements, any failure to make sufficient payments to such plans would be in violation of applicable PRC laws and regulations and, if we are found to be in violation of such laws and regulations, we could be required to make up the contributions for such plans as well as to pay late fees and fines.



### C. Organizational structure.

Below is a chart illustrating our corporate structure:



### D. Property, Plant and Equipment

#### Intellectual Property

We rely on our software copyrights to protect our domestic business interests and ensure our competitive position in our industry.

#### Copyrights

The software copyrights we hold are as follows:

No.	Copyright Name	Start Date	Expiry Date (50 year)	Owner
1	Management Supporting System	December 7, 2016	December 6, 2066	AGM Beijing
2	User Office Management Software	December 7, 2016	December 6, 2066	AGM Beijing
3	Multi Account Trading System	December 30, 2016	December 29, 2066	AGM Beijing
4	MTK Club Management System	October 16, 2017	October 15, 2067	AGM Nanjing
5	MTK Office Management System	October 16, 2017	October 15, 2067	AGM Nanjing
6	MTK Multi Trading Commissions System	October 16, 2017	October 15, 2067	AGM Nanjing
			<b>December 31,</b>	<b>December 31,</b>
			<b>2018</b>	<b>2017</b>
	Management Supporting System		\$ -	\$ 626,717
	User Office Management Software		\$ -	567,029
	Multi Account Trading System		\$ -	686,404
	MTK Club Management System		\$ -	534,858
	MTK Multi Trading Commissions System		\$ -	560,986
	MTK Office Management System		\$ -	353,498
	AGM domain name		\$ 14,800	14,800
	Total intangible assets		\$ 14,800	3,344,292
	Less: accumulated amortization		\$ (1.727)	(240,164)
	Total intangible assets, net		\$ 13,073	\$ 3,104,128

For the fiscal years ended December 31, 2018 and 2017, amortization expenses amounted to \$328,983, and \$216,180, respectively.

Due to Chinese legal compliance, we have discontinued our foreign exchange business. It is estimated that the future cash flow conversion will be much smaller than the intangible assets book value. Therefore, all intangible assets are zero as of December 31, 2018.

#### Domain

The domain we hold are as follows:

No.	Domain Name	Owner
1	www.agmtrade.com	AGM Beijing
2	www.agm18.com	AGM Beijing
3	www.51agm.com	AGM Beijing
4	www.agmfx.cn	AGM Beijing
5	www.agmtrade.cn	AGM Beijing
6	www.agmfx.com.cn	AGM Beijing
7	www.agmtrade.com.cn	AGM Beijing
8	www.angaomeng.com	AGM Beijing
9	www.agmgroup.com	AGM Holdings

#### Property and Equipment

As of December 31, 2018 and 2017, property and equipment consisted of the following:

	December 31, 2018	December 31, 2017
Electronic equipment	\$ 174,444	\$ 128,857
Office equipment	\$ 15,240	\$ 13,152
Total property and equipment	\$ 189,684	\$ 142,009
Less: accumulated depreciation	\$ (91,751)	\$ (42,379)
Total property and equipment, net	\$ 97,933	\$ 99,630

Depreciation expenses for the fiscal years ended December 31, 2018 and 2017 were \$53,697 and \$30,349, respectively. There was no impairment recorded for these property and equipment for the years ended December 31, 2018 and 2017.

#### Lease commitments

As of December 31, 2018, our lease commitment consisted of the following

Lease Term	Address	Space (square meters)	Monthly Rent (RMB)	Purpose
March 25, 2016 to June 24, 2018	Room 2211 and 2212, East Tower, VanPalace, No.1, Jinghua south street, Chaoyang District, Beijing City, PRC	377	50,000	Office
December 5, 2016 to June 4, 2018	Room 2111, East Tower, VanPalace, No.2, Guandongdian south street, Chaoyang District, Beijing City, PRC	186	27,500	Office
September 1, 2016 to August 31, 2018	Room 2103, Block 6, No.93 Jianguo Road, Chaoyang District, Beijing City, PRC	124	22,500	Office
April 1, 2016 to March 31, 2018	Room 2605,2606, and 2607, Block C Media Center, No.4 Guanghua Road, Chaoyang District, Beijing City, PRC	479	161,620	Office
March 6, 2016 to March 5, 2019	No.8 Ronghua Zhong Road, Beijing Economic and Technology Development Zone, Beijing City, PRC	410	56,162	Office
April 15, 2016 to April 14, 2018	Room 2112, East Tower, VanPalace, No.1, Jinghua south street, Chaoyang District, Beijing City, PRC.	187	25,000	Office
Start from the beginning of 2017, with terms from five months to one year.	Eleven employees' dormitories located in Beijing city	N/A	106,050	Residential — Employees' Dormitory
December 8, 2017 to December 7, 2019	Room 1904, 19/F Jubilee Center, 18 Fenwick St., 46 Gloucester Road, Wanchai, Hong Kong	N/A	48,136	Office

For the period from inception (April 27, 2015) to December 31, 2015, IIG, Ltd. provided office space to the Company free of charge.

On March 6, 2016, the Company entered into a lease agreement with Zumian Gong to lease a 410 square meters office space, located at No.8 Ronghua zhong Road, Beijing Economic and Technology Development Zone, Beijing City, PRC. The lease is valid from March 6, 2016 to March 5, 2019. According to the lease, the rent is RMB56,162 (approximately \$8,000) per month.

On March 18, 2016 and June 3, 2016, the Company entered into a lease agreement and a supplementary lease agreement with Beijing Oriental Media Properties Limited, respectively, to lease a 479 square meters office space, located at Room 2605, 2606, and 2607, Block C Media Center, No.4 Guanghua Road, Chaoyang District, Beijing City, PRC. The lease is valid from April 1, 2016 to March 31, 2018. According to the lease, the rent is RMB161,620 (approximately \$24,000) per month.

On March 25, 2016, the Company entered into a lease agreement with Beijing Jinqiao Lida investment consulting Co., Ltd. to lease a 377 square meters office space, located at Room 2211 and 2212, East Tower, VanPalace, No.1 Jingshua South Street, Chaoyang District, Beijing City, PRC. The lease starts from March 25, 2016 with a term of nine months ended on December 24, 2016. According to the agreement, the rent is RMB48,000 (approximately \$7,000) per month. On December 7, 2016, the Company renewed the lease agreement to extend the lease term for another six months with an increased rent of RMB50,000 (approximately \$7,000) per month. On June 5, 2017, the Company renewed this lease agreement to extend the lease term for one year with no change in rent.

On April 15, 2016, the Company entered into a lease agreement with Beijing Terry Henderson real estate brokerage Co., Ltd. to lease a 187 square-meter office space, located at Room 2112, East Tower, VanPalace, No.1 Jingshua South Street, Chaoyang District, Beijing City, PRC. The lease starts from April 15, 2016 with a term of one year. According to the agreement, the rent is RMB25,000 (approximately \$4,000) per month. On April 15, 2017, this lease agreement was renewed to extend the term for one-year term with no change in rent.

On August 16, 2016, the Company entered into a lease agreement with Shulin Liu to lease a 124 square meters office space, located at Room 2103, Block 6, No.93 Jianguo Road, Chaoyang District, Beijing City, PRC. The lease starts from September 1, 2016 with a term of two years ending on August 31, 2018. According to the lease, the rent is RMB22,500 (approximately \$3,000) per month.

From October 11, 2016 to August 1, 2017, the Company entered into twelve dormitories lease agreements for employees of AGM Beijing and AGM Nanjing, with total rent of RMB111,340 (approximately \$16,000) per month. The terms of these lease agreements range from five months to one year. In the year ended December 31, 2017, lease associated with one of the dormitories has expired, and the Company renewed three of the dormitory lease agreements to extend the lease term for another year and the total rents after renewal were RMB106,050 (approximately \$16,000) per month.

On November 15, 2016, the Company entered into a lease agreement with Gang Liu to lease a 186 square meters office space, located at Room 2111, East Tower, VanPalace, No. 1 Jingshua Street, Chaoyang District, Beijing City, PRC. The lease starts from December 5, 2016 with a term of six months ended on June 4, 2017. According to the agreement, the rent is RMB27,500 (approximately \$4,000) per month. On May 10, 2017, the Company renewed this lease agreement to extend the term for one year with no change in rent.

On November 28, 2017, the Company entered into a lease agreement with International Peaceful Interests Ltd. to lease an office space, located at Room 1904, 19/F Jubilee Center, 18 Fenwick St., 46 Gloucester Road, Wanchai, Hong Kong. The lease term is from December 8, 2017 to December 7, 2019. According to the agreement, the rent is HK\$48,136 (approximately \$6,000) per month.

In addition, the Company is committed to bearing the expenses of dormitories, which are leased for the Company's employees.

Rent expense for the years ended December 31, 2018 and 2017 were \$447,363 and \$728,843, respectively. The Company has future minimum lease obligations as of December 31, 2018 as follows:

	<b>Commitment amount</b>
Year of 2019	\$ 92,386
Year of 2020	-
Year of 2021	-
Year of 2022	-
Year of 2023	-
Thereafter	-
<b>Total</b>	<b>\$ 92,386</b>

#### ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

#### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this annual report.*

##### A. Operating Results.

###### Overview

Incorporated on April 27, 2015, under the laws of the British Virgin Islands ("BVI"), we see ourselves as a financial technology company and financial solutions provider, focused on delivering innovative trading platform solutions and technologies that enable brokers and institutional clients to have a better user experience. We strive to become a one-stop solution provider that focuses on providing financial technology service to brokers and institutional clients.

Online Trading and Computer Support Service generates 91% and 97.5% (1.5% of change from 99% due to reclassification) of all the total revenue in fiscal year 2018 and 2017, respectively. Under this business line, we provide services of two sub-types: computer program technical support and solution services and trading platform application services. The former mainly includes website maintaining and software developing focusing on database analysis and monitoring.

Prior to September 5, 2018, AGM Belize engaged in the forex trading brokerage service with a license provided by the International Financial Services Commission of Belize ("IFSC") under the license number IFSC/60/448/FX/17 (the "IFSC License"). It also provided its users with trading in spot precious metals and spot oil as these commodities are conventionally categorized as spot forex. The Company also operated a social trading network platform under AGMTrade, on which users were able to participate in various trading programs through brokerage services offered by AGM Belize. In September 2018, the central government of the People's Republic of China initiated a certain policy change that would no longer support our forex-trading related business. In addition, the access to certain accounts holding the deposits payable have been restricted by local regulators due to this policy change. In order to ensure compliance with PRC laws, regulations and policies, the Company voluntarily ceased its forex trading brokerage business and suspended such activities on AGMTrade, a social network platform operated by other subsidiaries of the Company, as they would fall within the scope of the government initiative.

Upon the equity transfer agreement dated September 5, 2018, AGM Belize has ceased to be a wholly-owned subsidiaries of the Company. Additionally, the Company has ceased to provide forex trading brokerage business. As a result, the Company's current shareholders will no longer benefit from any increase in the value, nor will they bear the risk of any decrease in the value, of the forex trading brokerage business. The Company will also continue to operate its (i) Online Trading and Computer Support Service and (ii) program trading application technology and management service. In addition, the Company has been actively exploring new business lines and revenue streams through its investment in new business initiatives and potential merger and acquisition opportunities.

We are also developing a commodity trading software to be launched in September 2019. We aim to offer to small and medium sized financial institutions in China with solutions that could enhance the efficiency of their trading systems. We have conducted trials among a small group of users and are improving the software based on the feedbacks. We plan to charge subscription fee for our future trading software.

We plan to expand our existing Online Trading and Computer Support Service by offering a new back-office management system for private equity firms and family offices.

In the original software service field, we retained the core team and concentrated on developing software and related services for futures trading in China. It is expected that the formal marketing and sales plan will officially begin in September 2019, because we need to complete futures software before this. Server deployment and debugging of related systems, as well as feedback on the first round of small-scale trial customers, and a formal promotion plan based on feedback. At the same time, we are preparing to launch financial training network services after June 2019. This part of the service will face the primary users and help them improve their basic trading software and financial market knowledge. This part of the charging model is currently an advertising model, which means that we will carry out service advertising business of other financial institutions on our education service website.

### ***Recent Development***

Recently, the central government of the People's Republic of China initiated a certain policy change that would no longer support our forex-trading related business. In addition, the access to certain accounts holding the deposits payable have been restricted by local regulators due to this policy change. In order to ensure compliance with PRC laws, regulations and policies, the Company voluntarily ceased its forex trading brokerage business and suspended such activities on AGMTrade, a social network platform operated by other subsidiaries of the Company, as they would fall within the scope of the government initiative.

We have been closely monitoring the development of the matter and have been actively working with representatives of the Beijing government to resolve all issues arising from the ceased operation and those relating to the transaction monetary assets held for its customers. We are currently liable for any outstanding customers deposits payable, as there can be no assurance that we will be given access to those accounts in the near future. Such financial obligation may have a material adverse effect on our future results of operations and future development of our business.

On September 5, 2018, we and our Chairman, Zhentao Jiang, entered into an equity acquisition agreement pursuant to which we agreed to sell to Jiang a 90% equity interest in AGM Belize for \$450,000, which is 90% of AGM Belize's estimated value of \$500,000. The transaction has been duly authorized by our shareholders, audit committee and the board of directors, and has been approved by the Belize Registry and The Nasdaq Stock Market LLC. Upon consummation of the Transaction, we maintain a 10% equity interest in AGM Belize to continue to hold the IFSC License.

As a result, we no longer engage in and does not expect to generate any revenue from the forex trading brokerage business, including AGMTrade. In addition to Company's current business, the Company plans to acquire other businesses that could potentially complement Company's existing business activities. There is no assurance at this point, however, that such plan will be executed or any acquisition will be completed.

### ***Revenue***

We are primarily engaged in two core businesses: (i) online trading platform application and computer program technical support and solution service ("Online Trading and Computer Support Service"); and (ii) program trading application technology and management service. We provide Online Trading and Computer Support Service and program trading application technology and management service through our subsidiaries AGM HK, AGM Beijing and AGM Nanjing.

#### *(i) Online Trading and Computer Support Service*

This service line includes computer program technical support and solution services and trading platform application services. The former mainly includes website maintaining and software developing focusing on database analysis and monitoring. Trading platform application services consist of three components: 1) service fees for usage of online trading application based on trading volumes of the forex trading transactions; 2) initial trading application setup fees; and 3) ongoing service support fees.

#### *(ii) Program trading application technology and management service*

We provide our Program trading application technology and management service by integrating our in-house algorithm application with the Core Trading Platform and package into a module to the Core Trading Platform. The module that we package to our current Core Trading Platform is called Expert Advisors. It enables traders to automatically execute the trades on a live account. Expert Advisors is very flexible and can take any information into account that is available on the Core Trading Platform. The revenue of Program trading application technology and management service refers to the commission on profit or loss of client's investment managed by our intelligent trading system.

We provide our institutional client and brokers with clearing house connection service by the following technologies: FIX4.0-4.4 protocol, CQG API, Integral API, and Currenex API. Liquidity providers we support include but not limited to: Barclays, OANDA, Interactive Brokers, CFH Clearing, LMAX Exchange, Dukascopy Swiss Forex Bank & Marketplace, SAXO Capital Markets, and Sucden Financial, etc.

Our services are also available to the users on their mobile devices. Users can download the Core Trading Platform's mobile application, search our brand name under "AGM Group" and have access to our trading environment and instruments.

Our business, a substantial majority of which is composed of our Online Trading and Computer Support Service, is not subject to PRC foreign investment and ownership restrictions. Substantially all of our business operations and research and development are conducted in the China. Also, substantially all of our employees are located in China.

### ***Costs and Expenses***

We primarily incur the following costs and expenses:

*Costs of revenues.* Our cost of revenues consists primarily of the salaries, payroll taxes and employee benefit costs of our technology and management services associate and other operations personnel. Cost of revenues also includes direct information technology costs and facilities support costs directly related to our services.

*Selling, general and administrative expenses.* Selling, general and administrative expenses consist primarily of compensation expense for our corporate staff and personnel supporting our corporate staff, marketing costs, office supplies, welfare expenses, training expenses, professional fees (including consulting, audit and legal fees), travel and business hospitality expenses. Selling, general and administrative expenses also includes depreciation and amortization expenses. We record property and equipment at cost and calculate depreciation using the straight-line method over the estimated useful lives of our assets, which generally range from three to five years.

*Research and development expenses.* Research and development expenses consist primarily of compensation expense for our staff in research and development teams, including the salaries, payroll taxes, employee benefit costs and facilities support costs related to our research and development.

*Bad debt expenses.* Based on our periodic review of accounts receivable balances, we adjusted the allowance for doubtful accounts after considering management's evaluation of the collectability of individual receivable balances, including the analysis of subsequent collections, the customers' collection history, the write off of uncollectible receivables against the existing reserve, and recent economic events.

## Results of Operations

	<b>For the Years Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service revenues, net	\$ 3,871,812	\$ 10,256,905	\$ 4,161,907
Service revenues - related party	1,240,708	2,170,838	2,720,936
Total revenues, net	<u>5,112,520</u>	<u>12,427,743</u>	<u>6,882,843</u>
Cost of revenue	<u>1,653,028</u>	<u>3,348,681</u>	<u>2,300,572</u>
Gross profit	<u>3,459,492</u>	<u>9,079,062</u>	<u>4,582,271</u>
Gross margin	68%	73%	67%
Operating expenses			
Selling, general and administrative expenses	3,876,872	2,931,469	1,842,079
Research and development expenses	1,028,249	398,188	289,487
Bad debt expenses	<u>923,217</u>	<u>35,000</u>	<u>-</u>
Total operating expenses	<u>5,828,846</u>	<u>3,364,657</u>	<u>2,131,566</u>
(Loss) income from operations	<u>(2,368,846)</u>	<u>5,714,405</u>	<u>2,450,705</u>
Other income (expense)			
Other income	534,246	19,358	599
Other expense	(511,908)	(13,336)	(2,351)
Loss on equity method investment	<u>(35,174)</u>	<u>-</u>	<u>-</u>
Total other income (expense)	<u>(12,836)</u>	<u>6,022</u>	<u>(1,752)</u>
Income before provision of income taxes	(2,381,682)	5,720,427	(2,448,953)
Provision for income taxes	<u>(595,421)</u>	<u>1,300,894</u>	<u>783,382</u>
Net (loss) income from continued operation	(1,786,261)	4,419,533	\$ 1,665,571
Discontinued operation			
(Loss) gain from discontinued operation, net of income tax	(11,698,538)	(519,642)	684,577
Gain from sale of discontinued operation, net of income tax	<u>5,072,068</u>	<u>-</u>	<u>-</u>
Loss from discontinued operation, net of income tax	<u>(6,626,470)</u>	<u>(519,642)</u>	<u>684,577</u>
Net (loss) income	<u>\$ (8,412,731)</u>	<u>\$ 3,899,891</u>	<u>2,350,148</u>

Our total revenues decreased by approximately \$7,114,000 or 58%, from approximately \$12,427,000 in fiscal 2017 to \$5,113,000 in fiscal 2018. Our total revenues – third parties decreased by \$6,385,000 or 62%, from approximately \$10,257,000 in fiscal 2017 to \$3,872,000 in fiscal 2018. Our total revenues – related parties decreased by \$930,000 or 43%, from approximately \$2,171,000 in fiscal 2017 to \$1,241,000 in fiscal 2018.

Our total revenues increased by approximately \$5,545,000 or 78%, from approximately \$6,883,000 in fiscal 2016 to \$12,427,000 in fiscal 2017. Our total revenues – third parties increased by \$6,095,000 or 146%, from approximately \$4,162,000 in fiscal 2016 to \$10,257,000 in fiscal 2017, offset by a decreased in total revenues – related parties of \$551,000 or 20%, from approximately \$2,721,000 in fiscal 2016 to \$2,171,000 in fiscal 2017.

#### *Cost of Revenues and Gross Margin*

Costs of revenues primarily include cost of direct labors, overhead, and other related incidental expenses that are directly attributable to the Company's principal operations. Cost of revenues decreased by approximately \$1,494,000 or 47%, from \$3,349,000 in fiscal year 2017 to \$1,653,000 for the fiscal 2018. The decrease of cost of revenue was primarily attributable to in line with decrease of revenues. Gross margin for fiscal 2018 was 68%, as compared to 73% for fiscal 2017. The decreased in gross margin was primarily due to higher cost in the salaries, payroll taxes and employee benefit costs of our technology and management services.

Cost of revenues increased by approximately \$1,048,000 or 46%, from \$2,301,000 in fiscal year 2016 to \$3,349,000 for the fiscal 2017. The increase of cost of revenue was primarily attributable to the expansion of company operation in fiscal 2017 and is in line with increase of revenues. Gross margin for fiscal 2017 was 73%, as compared to 67% for fiscal 2016. The increased in gross margin was primarily due to higher revenue resulted from the improvement in the efficient operation and management of our business to grow the Company's revenue with lower cost consumption particularly in employee compensation and lease expense.

#### *Selling, General and Administrative expenses*

Selling, general and administrative expenses consist primarily of sales and administrative employee-related expenses, professional fees, travel costs, research and development costs, and other corporate expenses. Selling, general and administrative expenses approximately \$3,877,000 in fiscal 2018 and \$2,931,000 for the fiscal 2017, an increase of \$945,000, or 32%, from December 31, 2017 to December 31, 2018. Selling, general and administrative expenses were \$2,931,000 for the year of 2017, an increase of \$1,089,000, or 59% from December 31, 2016 to December 31, 2017. The increase in selling, general and administrative expenses was primarily due to increase in payroll expense, professional service and consulting fees, depreciation and amortization expenses, and advertising and marketing expenses, reflecting the increased number of employees required to expand our business, and increase in regulatory compliance, auditing and filing. We also launched promotion and marketing activities in fiscal 2018 in an effort to further expand the market.

### *Research and Development Expenses*

We incurred approximately \$1,028,000 in research and development expenses in fiscal 2018, compared to \$398,000 in fiscal 2017. Research and development expenses increased by approximately \$630,000, or 158%, for fiscal 2018 compared to fiscal 2017. We incurred approximately \$398,000 in research and development expenses in fiscal 2017, compared to \$289,000 in fiscal 2016. Research and development expenses increased by approximately \$109,000, or 38%, for fiscal 2017 compared to fiscal 2016. The increase was primarily due to the hiring of additional research and development staff due to the increased number of projects and project size expansion.

### *Bad debt expense*

We incurred approximately \$923,000 in bad debt expense in fiscal 2018, as compared to \$35,000 in fiscal 2017, an increase of \$888,000. We did not record bad debt expense in fiscal 2016.

### *Income (loss) from operations*

As a result of the factors described above, operating loss was approximately \$2,369,000 for fiscal 2018, compared to operating income was approximately \$5,714,000 for fiscal 2017, an increase in operating loss of \$8,083,000, or 141%. We have an increase in operating income of \$3,267,000, or 133%, for fiscal 2017, from \$2,451,000 for fiscal 2016 to \$5,714,000 for fiscal 2017.

### *Other income (expenses)*

For fiscal 2018, other expense, net of other income, were approximately \$13,000, compared to other income, net of other expenses, were approximately \$6,000 for fiscal 2017, a change of \$19,000. The increase of other expense was primarily attributable to an increase of approximately \$499,000 for layoff funds reflecting our downsized business categories and an increase expense of \$35,000 incurred in the 2018 periods related to our equity method investment, offset by an increase of \$514,888 in other income due to gain on foreign currency transactions. For fiscal 2017, other income, net of other expense, were approximately \$6,000, compared to other expenses, net of other income, were approximately \$2,000 for fiscal 2016, a change of \$8,000.

### *Income (loss) from continuing operations*

As a result of the foregoing, our loss from continuing operations was \$1,786,000, or \$(0.08) per share (basic and diluted), for the year ended December 31, 2018, as compared with income from continuing operations of \$4,420,000, or \$0.22 per share (basic and diluted), for the year ended December 31, 2017. Our continuing operating income was approximately \$1,666,000 for fiscal 2016, or \$9.55 per share (basic and diluted), for the year ended December 31, 2016.

### *Income Tax*

For fiscal 2018, we had benefit for income tax of approximately \$595,000. For fiscal 2017, we had provision for income tax expense of approximately \$1,301,000, an increase of \$518,000, or 66%, as compared to \$783,000 for fiscal 2016. The increase is primarily due to recording of tax liability of approximately \$1,296,000 and \$783,000 in relation to uncertain tax positions for the uncertainty surrounding the PRC residency of our non-PRC entities for the years ended December 31, 2017 and 2016.

### *Loss from discontinued operation, net of income taxes*

Our loss from discontinued operations was \$6,626,000, or \$(0.31) per share (basic and diluted), for the year ended December 31, 2018, as compared with loss from discontinued operations of \$520,000, or \$(0.03) per share (basic and diluted), for the year ended December 31, 2017. Our gain from discontinued operations was \$685,000, or \$3.93 per share (basic and diluted), for the year ended December 31, 2016.



The summarized operating result of discontinued operation included our consolidated statements of operation is as follows:

	<b>Years Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Revenues	\$ 486,244	\$ 315,194	\$ 821,977
Cost of revenues	400,513	392,671	77,000
Gross profit	85,732	(77,477)	744,977
Operating expenses	(11,844,769)	(562,559)	(59,068)
Other income (expenses), net	60,499	120,394	(1,332)
Loss before income tax	(11,698,538)	(519,642)	684,577
Income tax expense	-	-	-
Loss from discontinued operation	(11,698,538)	(519,642)	684,577
Gain from disposal, net of tax	5,072,068	-	-
Total loss from discontinued operations, net of income taxes	<u>\$ (6,626,470)</u>	<u>\$ (519,642)</u>	<u>\$ 684,577</u>

We recognized impairment loss on intangible assets of approximately \$2,712,000 when the Company decided to discontinue AGM Belize's operation.

We realized a gain of \$450,000 from the disposal of 90% equity of AGM Belize with an investment cost basis of \$0. The Company also realized a gain of approximately \$4,172,000 resulted from 90% of liabilities being assumed by the acquirer pursuant to the equity transfer agreement. Together, the Company recognized a total gain on disposal of operation of \$5,072,000 for the year ended December 31, 2018.

#### *Net Income (loss)*

As a result of the factors described above, our net loss for fiscal 2018 was approximately \$8,413,000, compared to net income of \$3,900,000 for fiscal 2017, an increase in net loss of \$12,313,000, or 316%. Our net income for fiscal 2017 was approximately \$3,900,000, compared to net income of \$2,350,000 for fiscal 2016, an increase in net income of \$1,550,000, or 66%.

#### *Foreign currency translation*

The accompanying consolidated financial statements are presented in United States dollar ("\$"), which is the reporting currency of the Company. The functional currency of AGM Holdings, AGM Belize, AGM HK, AGM Software, AGM UK, AGM Australia, AGMClub, and AGM Global are United States dollar. The functional currency of AGM Beijing, AGM Shenzhen and AGM Nanjing are Renminbi ("RMB"). For the subsidiaries whose functional currencies are RMB, results of operations and cash flows are translated at average exchange rates during the period, assets and liabilities are translated at the exchange rate at the end of the period, and equity is translated at historical exchange rates. The resulting translation adjustments are included in determining other comprehensive income or loss.

Transaction gains and losses are reflected in the Consolidated Statements of Operations and Comprehensive Income.

The Consolidated Balance Sheets balances, with the exception of equity at December 31, 2018 and 2017, were translated at RMB6.8764 and RMB6.5064 to \$1.00, respectively. The equity accounts were stated at their historical rate. The average translation rates applied to the Consolidated Statements of Operations and Comprehensive Income and the Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016 were RMB6.6146, RMB6.7570 and RMB6.6430 to \$1.00, respectively.

**B. Liquidity and Capital Resources.**

**Liquidity**

**For the years ended December 31, 2018 and 2017**

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations and otherwise operate on an ongoing basis. As of December 31, 2018 and 2017, we had working capital of approximately \$5,267,000 and \$4,914,000, including cash and cash equivalents of approximately \$7,865,000 and \$4,628,000, respectively. Prior discontinued operation, AGM Belize had cash and cash equivalent of approximately \$3,068,000 and \$2,578,000 as December 31, 2017 and 2016, respectively. As a result, we believe that our current cash and cash to be generated from our operations will be sufficient to meet our working capital needs for at least the next twelve months. We are not dependent upon the access to borrow loans from our related parties. We are also dependent upon offering to meet our liquidity needs for the next twelve months. We plan to expand our business to implement our growth strategies to broaden our service and strengthen our position in the marketplace.

The following table sets forth a summary of changes in our working capital from December 31, 2017 to December 31, 2018:

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Working capital:</b>				
Total current assets	\$ 8,397,634	\$ 21,542,318	\$ (13,144,684)	(61)%
Total current liabilities	3,130,766	16,628,159	(13,497,393)	(81)%
Working capital	<u>\$ 5,266,868</u>	<u>\$ 4,914,159</u>	<u>\$ 352,709</u>	<u>7%</u>

Because the exchange rate conversion is different for the consolidated balance sheets and the consolidated statements of cash flows, the changes in assets and liabilities reflected on the consolidated statements of cash flows are not necessarily identical with the comparable changes reflected on the consolidated balance sheets.

## Cash Flow Summary

The following table sets forth certain items in our consolidated statements of cash flows for 2016, 2017 and 2018.

	<b>For The Years Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net cash (used in) provided by operating activities	\$ (2,833,234)	\$ 6,563,547	\$ 1,612,505
Net cash used in investing activities	(435,458)	(1,403,690)	(1,786,849)
Net cash provided by (used in) financing activities	6,063,054	(1,624,187)	4,400,973
Exchange rate effect on cash, cash equivalents and restricted cash	442,591	(63,208)	(11,381)
Net increase in cash and cash equivalents	\$ 3,236,953	\$ 3,472,462	\$ 4,215,248
Cash and cash equivalents, beginning of the year	4,628,392	4,224,237	8,989
Cash and cash equivalents, end of the year	7,865,345	7,696,699	4,224,237
Less cash and cash equivalents of discontinued operations—end of period	-	3,068,307	2,577,983
Cash and cash equivalents of continuing operations—end of period	\$ 7,865,345	\$ 4,628,392	\$ 1,646,254

We have cash and cash equivalents held in financial institutions in the following countries (regions):

<b>Country (Region)</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>
China (Mainland)	\$ 388,161.79	\$ 1,815,885
China (Hong Kong)	2,880,602.93	2,333,739
Singapore	2,554,760.90	321,668
Denmark	-	49,973
USA	2,040,296.49	100,935
Australia	1,522.78	6,192
Total continuing operations	\$ 7,865,345	\$ 4,628,392
Additional discontinued operation	-	3,068,307
Total continuing operations	\$ 7,865,345	\$ 7,696,699

### Operating Activities:

Net cash used in operating activities of continuing operations was approximately \$2,075,000 (total of \$2,833,000 including discontinued operations of \$758,000) for fiscal 2018, primarily due to a net loss of approximately \$8,413,000 adjusted by loss from discontinued operations of \$6,626,000 and non-cash working capital primarily included depreciation and amortization expenses of approximately \$383,000, allowance for doubtful accounts of \$923,000 and gain from disposal of subsidiary \$450,000. The adjustments for changes in assets and liabilities primarily included (i) accounts receivable from the third party and related party of approximately \$580,000, (ii) prepaid expenses and other current assets of approximately \$1,066,000, (iii) accounts payable of approximately \$67,000, and (iv) accrued expenses and other current liabilities of approximately \$761,000.

Net cash provided by operating activities of continuing operations was approximately \$5,429,000 (total of \$6,564,000 including discontinued operations of \$1,134,000) for fiscal 2017, primarily due to a net income of approximately \$3,900,000 adjusted by loss from discontinued operations of \$1,134,000 and non-cash working capital primarily included depreciation and amortization expenses of approximately \$247,000 and allowance for doubtful accounts of \$35,000. The adjustments for changes in assets and liabilities primarily included (i) accounts receivable from the third party and related party of approximately \$892,000, (ii) prepaid expenses and other current assets of approximately \$123,000, (iii) accounts payable of approximately \$159,000, (iv) advance from customers of approximately \$202,000, and (v) accrued expenses and other current liabilities of approximately \$239,000.

The increase in cash out flows from our continuing operating activities for the year ended December 31, 2018 compared to the year ended December 31, 2017 primarily resulted from the significant increase in our net loss in the year ended December 31, 2018. For the year ended December 31, 2018, our net loss totaled approximately \$8,413,000, compared to net income of \$3,900,000 in 2017.

Investing Activities:

Net cash used in investing activities of continuing operations was approximately \$435,000 for fiscal 2018. It was attributable to the purchase of office equipment for approximately \$58,000 and acquisition of investment of approximately \$378,000, respectively.

Net cash used in investing activities of continuing operations was approximately \$1,403,000 for fiscal 2017. It was attributable to the purchase of office equipment and intangible assets for approximately \$44,000 and \$1,359,000, respectively.

There was no net cash provided or used by investing activities of discontinued operations for fiscal 2018 and fiscal 2017.

One of our primary use of cash in our investing activities for each period was for our purchase of equipments and intangible assets. We spent approximately \$1,346,000 less than the year of 2017 in purchasing equipments and intangible assets for the year ended December 31, 2018, but we spent \$378,000 more than the year of 2017 in acquisition of investment for the year ended December 31, 2018.

Financing Activities:

Net cash provided by financing activities of continuing operations was approximately 6,063,000 for fiscal 2018. It was attributable to proceeds from issuance of ordinary shares of \$5,729,000 and borrowings from related parties of approximately \$9,294,000, offset by repayment of related party loans and advances of approximately \$8,959,000.

Net cash used in financing activities of continuing operations approximately \$1,497,000 (total of \$1,624,000 including discontinued operations) for fiscal, 2017. It was attributable to proceeds from issuance of ordinary shares of \$1,170,000 and borrowings from related parties of approximately \$4,032,000, offset by repayment of related party loans and advances of approximately \$6,699,000.

Net cash used by financing activities of discontinued operations was approximately \$0 for fiscal 2018 and \$127,195 for fiscal 2017.

We received approximately \$7,687,000 (net including \$127,000 paid to related parties from discontinued operations) more than the year of 2017 from financing activities for the year ended December 31, 2018. We received capital contribution from stockholders of \$4,559,000 more in 2018 than in 2017. During the year ended December 31, 2018, we received proceeds of \$5,262,000 more than 2017 in borrowings from related parties, and also paid \$2,260,000 more than the year of 2017 in repayments to related parties.

We expect to incur additional costs associated with becoming a public company in the United States, primarily due to increased expenses related to accounting and tax services, directors and officer insurance, legal expenses and investor and stockholder-related expenses. These additional long-term expenses may require us to seek other sources of financing, such as additional borrowings or public or private equity or debt capital. The availability of these other sources of financing will depend upon our financial condition and results of operations as well as prevailing market conditions, and may not be available on terms reasonably acceptable to us or at all.

### ***Regulatory Restrictions on Capital Injections***

We plan to use proceeds from this offering to fund our business. In order to do so, we will be required to comply with the following Chinese regulations regarding capital injections to foreign-invested enterprises.

Chinese regulations relating to investments in offshore companies by Chinese residents. SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Financing and Round trip Investment through Offshore Special Purpose Vehicles, or SAFE Circular 37, on July 4, 2014. SAFE Circular 37 requires Chinese residents to register and update certain investments in companies incorporated outside of China with their local SAFE branch. SAFE also subsequently issued various guidance and rules regarding the implementation of SAFE Circular 37, which imposed obligations on Chinese subsidiaries of offshore companies to coordinate with and supervise any Chinese-resident beneficial owners of offshore entities in relation to the SAFE registration process.

We may not be aware of the identities of all of our beneficial owners who are Chinese residents. We do not have control over our beneficial owners and cannot assure you that all of our Chinese -resident beneficial owners will comply with SAFE Circular 37 and subsequent implementation rules. The failure of our beneficial owners who are Chinese residents to register or amend their SAFE registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future beneficial owners of our Company who are Chinese residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners or our Chinese subsidiaries to fines and legal sanctions, which may be substantial. Failure to register may also limit our ability to contribute additional capital to our Chinese subsidiaries and limit our Chinese subsidiaries' ability to distribute dividends to our Company. These risks may have a material adverse effect on our business, financial condition and results of operations.

China regulates loans to and direct investment in Chinese entities by offshore holding companies and there is governmental control of currency conversion. We are an offshore holding company conducting our operations in China through our wholly owned subsidiaries. As an offshore holding company, we may make loans and additional contributions to subsidiaries subject to certain government authorities' registration and/or approvals, including MOFCOM, SAIC and SAFE, or their local counterparts.

Any loan to subsidiaries, which is treated as a foreign-invested enterprise under Chinese law, is subject to Chinese regulations and foreign exchange loan registrations. In January 2003, the China State Development and Reform Commission, SAFE and Ministry of Finance jointly promulgated the Circular on The Interim Provisions on the Management of Foreign Debts, or the Circular 28, limiting the total amount of foreign debt a foreign-invested enterprise may incur to the difference between the amount of total investment approved by the Ministry of Commerce or its local counterpart for such enterprise and the amount of registered capital of such enterprise, and requiring registration of any such loans with SAFE. On January 11, 2017, the People's Bank of China (the "PBOC"), promulgated the Circular on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing, or the PBOC Circular 9. Pursuant to PBOC Circular 9, the foreign debt upper limit for both foreign-invested companies and domestic-invested companies is calculated as twice the net asset of such companies. As to net assets, the companies shall take the net assets value stated in their latest audited financial statement. The PBOC Circular 9 does not supersede the Circular 28. It provides a one-year transitional period from its promulgation date for foreign-invested companies, during which foreign-invested companies, such as our WFOE, could choose their calculation method of foreign debt upper limit based on either the Foreign Debts Provisions or the PBOC Circular 9. The transitional period ended on January 11, 2018. Upon its expiry, pursuant to the PBOC Circular 9, the PBOC and SAFE will determine the cross-border financing administration mechanism for the foreign-invested enterprises after evaluating the overall implementation of the PBOC Circular 9. As of the date hereof, neither PBOC nor SAFE has promulgated and made public any further rules, regulations, notices or circulars in this regard. It is uncertain which mechanism will be adopted by PBOC and SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries.

We may choose to finance subsidiaries by means of capital contributions. These capital contributions must be registered with the Ministry of Commerce or its local counterpart. In March 2015, SAFE issued the Circular Concerning the Reform of the Administration of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular No.19, which became effective in June 2015. SAFE Circular No.19 regulates the conversion by a foreign-invested enterprise of foreign currency registered capital into RMB by restricting how the converted RMB may be used. Furthermore, SAFE promulgated a circular in June 2016, SAFE Circular No.16, which further revises some clauses in the SAFE Circular No.19. SAFE Circular No. 19 and No.16 provide that the capital-account foreign exchange incomes of a domestic enterprise shall not be used for expenditures that are forbidden by relevant laws and regulations, for purposes that are not included in the business scope approved by the applicable government authority, shall not be used for direct or indirect equity investments within China or for any other kind of investment except principal-guaranteed wealth-management products, unless otherwise prescribed by other laws and regulations, shall not be used for issuing RMB entrusted loans (except included in the business scope approved by the applicable government authority or issuing RMB entrusted loans to affiliated enterprises), repaying inter-enterprise loans, repaying bank loans which has been refinanced to third parties, issuing RMB loans to non-affiliated enterprises unless expressly permitted in the business scope and shall not be used to purchase real estate that is not for personal use except if the company is a real estate enterprise. In addition, SAFE supervises the flow and use of the RMB capital converted from foreign currency registered capital of a foreign-invested company by further focusing on ex post facto supervision and violations. Previously, for FIEs the increase of capital contribution shall be approved by MOFCOM. In 2016, the approval was changed to registration. Currently, China is holding more open and tolerate attitude toward FIEs. Even with more and more open policy toward FDI and FIEs, Circulars mentioned above may still have some limit on our ability to use the net proceeds from this offering to invest in or acquire any other Chinese companies in China, which may adversely affect our liquidity and our ability to fund and expand our business in China.

### Capital Resources

#### As of December 31, 2018 and 2017

The following table provides certain selected balance sheets comparisons as of December 31, 2018 and December 31, 2017:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>Increase (Decrease)</u>	<u>%</u>
Cash and cash equivalents	\$ 7,862,345	\$ 4,628,392	\$ 3,236,953	70%
Accounts receivable, net	-	411,070	(411,070)	-100%
Accounts receivable - related party	-	172,237	(172,237)	-100%
Prepaid expenses and other current assets	532,289	398,536	133,753	34%
Assets of discontinued operation	-	15,932,083	(15,932,083)	-100%
<b>Total current assets</b>	<u>8,397,634</u>	<u>21,542,318</u>	<u>(13,144,684)</u>	61%
Investments	341,045	-	341,045	100%
Property and equipment, net	97,933	99,630	(1,697)	-2%
Intangible assets, net	13,073	3,104,128	(3,091,055)	-100%
<b>Total non-current assets</b>	<u>452,051</u>	<u>3,203,758</u>	<u>(2,751,707)</u>	-86%
<b>Total assets</b>	<u>\$ 8,849,685</u>	<u>\$ 24,746,076</u>	<u>\$ (15,896,391)</u>	-64%
Accounts payable	\$ 79,650	\$ 12,963	\$ 66,687	514%
Accrued expenses and other payables	1,703,134	1,029,149	(673,985)	-65%
Income tax payable	-	5,306	(5,306)	-100%
Due to related parties	1,347,981	60,851	1,287,130	2,115%
Notes payable - related parties	-	1,301,534	(1,301,534)	-100%
Liabilities of discontinued operation	-	14,218,356	(14,218,356)	-100%
<b>Total current liabilities</b>	<u>3,130,766</u>	<u>16,628,159</u>	<u>(13,497,393)</u>	-81%
<b>Total liabilities</b>	<u>\$ 3,130,766</u>	<u>\$ 16,628,159</u>	<u>\$ (13,497,393)</u>	-81%

### Cash

As of December 31, 2018, we have a total of \$7,865,345 in cash and cash equivalents, among which \$388,162 (RMB2,669,156) was held inside China (Mainland), and \$7,477,183 was held outside of China (Mainland). As of December 31, 2017, we have a total of \$4,628,392 in cash and cash equivalents, among which \$1,815,885 (RMB11,814,873) was held inside China (Mainland), and \$2,812,507 was held outside of China (Mainland). We have not transferred and do not plan to transfer our cash in RMB outside of China (Mainland) in order to avoid unnecessary currency exchange cost. Our subsidiaries in China (Mainland) incur expenses from time to time, and we have spent and plan to spend our cash in RMB to cover those expenses.

### *Accounts receivables, net*

Accounts receivable, net as of December 31, 2018 was \$0, compared to \$411,070 as of December 31, 2017. The Company determined write-offs all the Accounts receivables as of December 31, 2018.

### *Prepaid expenses and other current assets, net*

As of December 31, 2018, balances of prepaid expenses and other current assets were \$532,289, an increase of \$133,753, or 34%, compared to \$398,536 as of December 31, 2017. Balance of prepaid expenses increased by \$158,112 and balance of other current assets increased by \$91,691, offset by balance of security deposit decreased by \$116,050 as of December 31, 2018, as shown in the following table.

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Prepaid expenses	\$ 383,053	\$ 224,941
Security deposits	43,280	159,330
Others	105,956	14,265
Total prepaid expenses and other current assets	<u>\$ 532,289</u>	<u>\$ 398,536</u>

### *Current assets*

Current assets as of December 31, 2018 totaled \$8,397,634, a decrease of \$13,144,684, or 100% from our December 31, 2017 balance. This decrease primarily resulted from a \$15,932,083 decrease in assets of discontinued operations, a \$411,070 decrease in accounts receivable and a \$172,237 decrease in accounts receivable - related party, offset by a \$3,236,953 increase in cash and a \$133,753 increase in prepaid expenses and other current assets.

### *Accrued liabilities and other payables*

Accrued liabilities and other payables mainly included wages payable, VAT payable, deposit payables and other payable at the year end. Accrued liabilities and other payables as of December 31, 2018 were \$1,703,134, an increase of \$673,985, compared to \$1,029,149 as of December 31, 2017. The increase was mainly due to the increase of security deposits and other deposits advanced paid by customers.

### *Credit Facility*

We mainly finance our operations through proceeds borrowed from related parties. Notes payables to related parties and due to related parties as of December 31, 2018 and 2017 include:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Zhentaο Jiang	\$ -	\$ -
Wenjie Tang	-	1,301,534
Total notes payable to related parties	<u>-</u>	<u>1,301,534</u>
Zhentaο Jiang	1,307,264	-
Wenjie Tang	11,318	19,949
Guofu Zhang	29,399	40,902
Total due to related parties	<u>1,347,981</u>	<u>60,851</u>
<b>Total</b>	<u><b>\$ 1,347,981</b></u>	<u><b>\$ 1,362,385</b></u>

The balance of due to related parties represents expenses incurred by related parties in the ordinary course of business and expenses related parties paid on behalf of the Company. These loans are interest free, unsecured and repayable on demand.

For the year ended December 31, 2018, Zhentaο Jiang, Guofu Zhang, Wenjie Tang and their related companies paid operating expenses on behalf of the Company of \$419,645. For the year ended December 31, 2017, Zhentaο Jiang, Wenjie Tang, Guofu Zhang, and Bin Liu paid operating expenses on behalf of the Company of \$142,085.

The Company entered into an advance agreement with Wenjie Tang, allowing the Company to borrow unsecured and interest-free loans on January 1, 2017. The balances and material terms of the advance agreements are summarized below:

- The amount authorized for borrowing shall not exceed RMB15,000,000 (approximately \$2,305,000).
- The loan is interest-free and payable on December 31, 2018.
- The term of the loan is two years from January 1, 2017 to December 31, 2018.
- The balance was \$0 and \$1,301,534 as of December 31, 2018 and 2017, respectively.

The Company borrowed \$8,581,150 and \$4,032,044 from related parties in the years ended December 31, 2018 and 2017, respectively, and repaid 6,837,611 and \$6,826,231 in the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018, the balance we owed Zhentao Jiang, Wenjie Tang and Guofu Zhang amounted to \$1,307,264, \$11,318 and \$29,399, respectively. As of December 31, 2017, the balance we owed Zhentao Jiang, Wenjie Tang and Guofu Zhang amounted to \$0, \$1,321,483 and \$40,902, respectively.

Lease commitments

We are renting or leasing various office space and dormitory space located in Beijing and Hong Kong. These leasing agreements expire between March 7, 2018 and December 7, 2019.

In addition, the Company committed to bear the dormitories expenses, which were leased for the employees.

Our lease commitments as of December 31, 2018 are summarized as follows.

	<b>Commitment amount</b>
Year of 2019	\$ 92,386
Year of 2020	-
Year of 2021	-
Year of 2022	-
Year of 2023	-
Total	<u>\$ 92,386</u>

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our audited consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these audited consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We evaluate our estimates on an ongoing basis, including those related to revenue recognition and income taxes. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making the judgments we make about the carrying values of our assets and liabilities that are not readily apparent from other sources. Because these estimates can vary depending on the situation, actual results may differ from the estimates.

The critical accounting policies summarized in this section are discussed in further detail in the notes to the audited consolidated financial statements appearing elsewhere in this prospectus. Management believes that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition.

Revenue Recognition

The Company adopted ASU 2014-09, Topic 606 on January 1, 2018, using the modified retrospective method. ASC 606 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 derived revenues through two operating lines: (i) Online Trading and Computer Support Service; and (ii) program trading application technology and management service. Prior to September 5, 2018, the Company also derived revenues by conducting forex trading brokerage business.

#### Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions of future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. Significant estimates and assumptions by management include, among others, useful lives and impairment of long-lived assets, allowance for doubtful accounts, income taxes including the valuation allowance for deferred tax assets. While we believe that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from those estimates. Estimates and assumptions are periodically reviewed and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary.

#### Fair Value of Financial Instruments

ASC 825 requires the disclosure of the estimated fair value of financial instruments including those financial instruments for which fair value option was not elected.

The Company's financial instruments mainly include cash and cash equivalents, transaction monetary assets held for clients, mark to market assets for open trading positions, net accounts receivable, prepaid expenses and other current assets, accounts payable, deposits payable, mark to market liabilities for open trading positions, accrued expenses and other current liabilities, advance from customers, and income tax payable. The carrying values of these financial instruments approximate their fair values due to short-term maturities.

#### Recent Accounting Pronouncements

In March 2019, the FASB issued ASU 2019-01, Leases (Topic 842) Codification Improvements, which provides clarification on implementation issues associated with adopting ASU 2016-02. The implementation issues noted in ASU 2019-01 include determining the fair value of the underlying asset by lessors that are not manufacturers or dealers, presentation on the statement of cash flows for sales-type and direct financing leases, and transition disclosures related to Topic 250, Accounting Changes and Error Corrections. We will apply the guidance, if applicable, as of January 1, 2019, the date we adopted ASU 2016-02. The adoption of this ASU did not have a material impact on our financial position, results of operations, cash flows, or presentation thereof.

In October 2018, the FASB issued ASU 2018-17, Targeted Improvements to Related Party Guidance for Variable Interest Entities, that changes the guidance for determining whether a decision-making fee paid to a decision makers and service providers are variable interests. The guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, with early adoption permitted. We will adopt this standard on its effective date of January 1, 2020. We do not expect the adoption of this ASU to have a material impact on our consolidated financial position, results of operations, cash flows, or presentation thereof.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract. ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. We will adopt this standard on its effective date of January 1, 2020. We are currently evaluating the impact of this ASU on our financial position, results of operations, cash flows, or presentation thereof.

In August 2018, the FASB issued ASU 2018-13 to modify the disclosure requirements on fair value measurements. The amendments are effective beginning after December 15, 2019. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until the effective date. Most amendments should be applied retrospectively, but certain amendments will be applied prospectively. The Company is in the process of assessing the impact of the standard on the Company's fair value disclosures. However, the standard is not expected to have an impact on the Company's consolidated financial position, results of operations and cash flows.

A variety of proposed or otherwise potential accounting standards are currently under study by standard setting organizations and various regulatory agencies. Due to the tentative and preliminary nature of those proposed standards, we have not determined whether implementation of such proposed standards would be material to our consolidated financial statements.

**C. *Research and Development, Patent and Licenses, etc.***

Please refer to "Item 4. Information on the Company – D. Property, Plant and Equipment – Intellectual Property."

**D. *Trend Information.***

Based on our experience and observations of the business in which we operate, we believe the following trends are likely to affect our industry and, as a result, our company, if they continue in the future.

- Financial technology is an industry on its rapid growth. The global investment into fintech startups companies from 2010 to 2015 totaled \$49.7 billion. Total investments from Fintech on the global market reached \$47 billion in 2015, while it had a considerable decline to \$25 billion in 2016. On the other hand, over 80% of traditional financial institutions believe business is at risk to financial technology innovators, and among them 82% expect to increase financial technology partnerships in the next three to five years.
- We plan to expand our existing Online Trading and Computer Support Service by offering a new back-office management system for private equity firms and family offices.
- In the original software service field, we retained the core team and concentrated on developing software and related services for futures trading in China. It is expected that the formal marketing and sales plan will officially begin in September 2019, after we complete deployment for server and debugging of related systems, as well as feedback on the first round of small-scale trial customers, and a formal promotion plan based on feedback.
- We are preparing to launch financial training network services after June 2019. This part of the service will face the primary users and help them improve their basic trading software and financial market knowledge.

**E. *Off-Balance Sheet Arrangements.***

There were no off-balance sheet arrangements for the fiscal years ended December 31, 2018 and 2017, or that in the opinion of management are likely to have, a current or future material effect on our financial condition or results of operations.

## **Quantitative and Qualitative Disclosures About Market Risk**

As of the latest fiscal year ended December 31, 2018, we did not have any derivative commodity instruments. Our other financial instruments, including cash and cash equivalents, transaction monetary assets held for clients, net accounts receivable, prepaid expenses and other current assets, accounts payable, deposits payable, accrued expenses and other current liabilities, advance from customers, and income tax payable, are exposed to certain market risk such as foreign currency risk and interest rate risk. Our overall risk management program focuses on preservation of capital and the unpredictability of financial markets and has sought to minimize potential adverse effects on our financial performance and position. Our other financial instruments primarily include cash and cash equivalents, accounts receivable and accounts payable for whose carrying values approximate to their fair value due to the short term nature of these balances. Therefore, we do not expect our other financial instruments to be exposed to material impacts from market risk. However, we have still summarized the relevant market risk and its potential impacts to our other financial instruments as below:

### **Foreign Currency Exchange Risk**

While our reporting currency is the U.S. Dollar, some of our consolidated financial liability instruments are in the functional currency of RMB. As a result, we are exposed to foreign exchange risk as our results of operations may be affected by fluctuations in the exchange rate between the U.S. Dollar and the RMB. If the RMB depreciates against the U.S. Dollar, the value of our RMB liabilities as expressed in our U.S. Dollar financial statements will decline. Assets and liabilities are translated at exchange rates at the balance sheet dates and revenue and expenses are translated at the average exchange rates and stockholders' equity is translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income but are included in determining other comprehensive income, a component of stockholders' equity. We have not entered into any hedging transactions in an effort to reduce our exposure to foreign exchange risk.

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions. Since July 2005, the RMB has not been pegged to the U.S. dollar and, although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar or the Euro in the medium to long term. Moreover, it is possible that in the future, PRC authorities may lift restrictions on fluctuations in RMB exchange rate and lessen intervention in the foreign exchange market. Although the RMB strengthened against the U.S. dollar over the last five years, the RMB's significant weakening against the U.S. dollar since July 2015 has largely undone such prior increases.

### **Interest Rate Risk**

The company's exposure to changes in market interest rates, related primarily to the Company's earned interest income on cash deposits in financial institutions. The Company maintains a balance between the liquidity of cash assets and the interest rate return thereon. The carrying amount of financial assets, net of any provisions of losses, represents the Company's maximum exposure to credit risk.

As of December 31, 2018, we had cash and cash equivalents of \$7,865,345. These cash and cash equivalents did not earn significant interest income due to low saving interest rates and therefore were not subject to material market risk. Should an immediate change to these interest rates by 100-basis points, it would have resulted in a change in market value of \$78,653 to these cash and cash equivalents.

As of December 31, 2017, we had cash and cash equivalents of \$4,628,392. These cash and cash equivalents did not earn significant interest income due to low saving interest rates and therefore were not subject to material market risk. Should an immediate change to these interest rates by 100-basis points, it would have resulted in a change in market value of \$46,284 to these cash and cash equivalents.

As of December 31, 2018, we paid off all of loans.

As of December 31, 2017, we had a note payable from a related party. The balance of this note payable was \$1,301,534 and interest free. The term of this loan is from January 1, 2017 to December 31, 2018. As this loan is interest free, it is not subject to interest rate risk. We do not have any long-term loans or other long-term borrowings as of December 31, 2017.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. Directors and Management

The following table provides information regarding our executive officers and directors as of the date of this annual report:

Name	Age	Position(s)
Zhentaο Jiang	53	Chairman of the Board
Wenjie Tang	37	Chief Executive Officer and Director
Guofu Zhang	38	Chief Financial Officer
Chengchun Zhang	49	Chief Operating Officer
Yufeng Mi	42	Chief Technology Officer
Jialin Liu	60	Independent Director and Chairman of Compensation Committee.
Tingfu Xie	71	Independent Director and Chairman of Nominating Committee
Fangjie Wang	29	Independent Director and the Chairwomen of the Audit Committee
Yafang Wang	41	Secretary of the Board

The business address of each of the officers and directors is c/o Creative Consultants (Hong Kong) Limited Room 1502-3 15/F., Connaught Commercial Building, Wanchai, Hong Kong.

**Zhentaο Jiang.** Mr. Jiang is the co-founder of our Company and has served as Chairman of the Board since the beginning. Mr. Jiang has extensive experience in financial industry. Prior to co-founding our company, Mr. Jiang was the Chief Executive Officer in Shenzhen Zhichengxin Equity Investment Fund Management Co. Ltd. from 2011 to 2014, and the director and Chief Financial Officer in Beijing Fengrong Insurance Brokers Co. Ltd. from 2010 to 2011. Mr. Jiang earned his bachelor’s degree from Sichuan University. Mr. Jiang is experienced in private equity, business model design, insurance broker, insurance agent and insurance appraisal. He has a systematic ideology on the future of financial technology industry. We believe his influence and expertise in the industry will greatly contribute to the growth of company and industry.

**Wenjie Tang.** Mr. Tang is the co-founder of our Company and has served as Chief Executive Officer since the beginning and serve as director of the Company commencing February 9, 2018. Before co-founding our subsidiary AGM Beijing, he co-founded and held the Chief Executive Officer position in Beijing Miteke Technology Co. Ltd. from 2011 to 2015, and was Chief Representative and Chief Business Officer in MeiZhi Huangqiu Beijing Technology Co. Ltd. from 2009 to 2011. Mr. Tang earned his master’s degree in Economics from Tufts University in Boston, and his bachelor’s degree in Economics from Shanghai Fudan University. He is a Certified Financial Analyst (level 3 candidate), and has passed series 3 of the National Commodities Futures Examination in the United States. Mr. Tang has 12 years of experience in forex trading, more than 15 years of experience in stock and futures investment. He also has a profound understanding of the operation principles, market microstructure, macro trading, trading system and risk control.

**Guofu Zhang.** Mr. Zhang has served as Chief Financial Officer since the beginning. He was a senior accounting consultant at China Customer Relations Centers, Inc. from 2013 to 2015. He was the Financial Manager at Tianli Agritech, an American public company, from 2009 to 2012 and served as Chief Financial Officer there from April 2012 to July 2013. Mr. Zhang earned his Bachelor's degree in Accounting from Renmin University of China. He is experienced in financial analysis, auditing, and accounting internal control. He also has experience with IPO when he helped CCRC list on NASDAQ in December 2015.

**Chengchun Zhang.** Mr. Zhang has served as Chief Marketing Officer since the beginning. He has also been the general manager of Nanjing Julong Equity Investment Fund Co. Ltd. and Huanlu Investment Consulting (Shanghai) Co. Ltd. since September 2012. He served as executive assistant to chairman in Beijing Fengrong Insurance Broker Co. Ltd. from 2009 to 2012. Mr. Zhang earned his bachelor's degree from Nanchang Insurance School. He acquired Insurance Assessor Certificate, Insurance Broker Certificate and Insurance Agent Certificate in China. He has experience in planning and preparing for IPO.

**Yufeng Mi.** Mr. Mi has served as Chief Technology Officer since the beginning. Before co-founding our subsidiary AGM Beijing, he co-founded Beijing Miteke Technology Co. Ltd. with Wenjie Tang and was the IT department manager in MeiZhi Huangqiu Beijing Technology Co. Ltd. from 2011 to 2015. Mr. Mi earned his master's degree in Computer Science from Université Pierre et Marie Curie, his master's degree in finance from Université Dauphine, and his bachelor's degree in communication technology from Shanghai Jiaotong University. He is a Certified Financial Analyst (level 1) in the United States and a Financial Risk Manager. Mr. Mi is experienced in B2C e-commerce, forex trading system, and system design.

**Jialin Liu.** Mr. Liu has served as our Independent Director and Chairman of Compensation Committee since March 2017. He has been the Chairman of the Board of Profit Well Gold Investment (Beijing) Co., Ltd. since 2006. He earned his bachelor's degree from Central University of Finance and Economics. He is very experienced with administrative management and finance.

**Tingfu Xie.** Mr. Xie has served as our Independent Director and Chairman of Nominating Committee since March 2017. He has been the president of Ji Shang Capital Group since 2015. He was the Chief Executive Officer of China Finance Think Tank from 2011 to 2014. Mr. Xie earned his master's degree in EMBA from Peking University, his master's degree in economics and his bachelor's degree in finance from Jilin University. Mr. Xie has 37 years of practical and research experience in finance.

**Fangjie Wang.** Ms. Wang, age 29, has been working as an Audit Manager at Beijing Hua Long Ding Jia Certified Public Accountants Co., Ltd since March 2018. Prior to that, she worked at Zhongxinghua Certified Public Accountants LLP as an Audit Assistant from August 2017 to February 2018. She worked as the Lecturer of International Economics and Trade at Hubei Vocational Technical Institute from June 2016 to July 2017. She interned as a teacher of Ecological Tourism at Adult Education Academy of Guangxi Normal University. She interned as an assistant at Tian Jia Bing Academy of Guangxi Normal University from June 2014 to March 2016. From August 2013 to May 2014, she worked as an Internal Assistant to Duty Manager at Xiaogan Branch of Agricultural Bank of China. Ms. Wang graduated from Guangxi Normal University in 2016 and received a master's degree in Management. Before that, she received a bachelor's degree in International Economics and Trade from Hubei University. Ms. Fangjie Wang is an accounting expert and is experienced with establishing effective internal control system. There are no family relationships between Fangjie Wang and any other employees or members of the Board of Directors of the Company.

**Yafang Wang.** Ms. Wang has been the Assistant to the Chairman of the Board at Beijing AnGaoMeng Technology Service Co., Ltd. since May 2015, where she translates financial and legal documents, updates statistical data, and provides administrative support to the Chairman. From April 2012 to May 2015, Ms. Wang worked as a researcher at Beijing Tongzhou New City Investment & Operation Co., Ltd. where her job responsibilities were mainly consisted of searching and collecting urban construction data and real estate trend, preparing Real Estate Weekly for the company, and translating and updating the company's English website. Prior to that, Ms. Wang was a translator at HVS from June 2011 to December 2011 and an editor at Commercial Express of Embassies and Overseas Agencies from June 2007 to December 2010, where she edited and translated reports and publications. Ms. Wang obtained her bachelor's degree from Beijing Foreign Studies University in English major in 2005, and an associate degree in public relations from Jilin University in 1997. Ms. Wang has extensive experience in business administration and is proficient in English. There are no family relationships between Yafang Wang and any other employee or member of the board of directors of the Company.

## **Election of Officers**

Our executive officers are appointed by, and serve at the discretion of, our board of directors, including Zhentao Jiang. There is no family relationship among any of our directors or executive officers.

## **Board of Directors and Board Committees**

Our board of directors currently consists of five directors, a majority of whom are independent as such term is defined by the Nasdaq Capital Market.

The directors are re-elected at our general meeting of shareholders every year.

A director may vote in respect of any contract or transaction in which he is interested, provided, however that the nature of the interest of any director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote on that matter. A general notice or disclosure to the directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof of the nature of a director's interest shall be sufficient disclosure and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may be counted for a quorum upon a motion in respect of any contract or arrangement which he shall make with our company, or in which he is so interested and may vote on such motion.

We do not have a lead independent director because of the foregoing reason and also because we believe our independent directors are encouraged to freely voice their opinions on a relatively small company board. We believe this leadership structure is appropriate because we are a relatively small company in the process of listing on a public exchange; as such we deem it appropriate to be able to benefit from the guidance of Mr. Jiang as our Chair of the Board and Mr. Tang as our principal executive officer and director. Our board of directors plays a key role in our risk oversight. The board of directors makes all relevant Company decisions. As a smaller company with a small board of directors, we believe it is appropriate to have the involvement and input of all of our directors in risk oversight matters.

## **Board Committees**

See "Item 16G Corporate Governance."

## **Duties of Directors**

Under British Virgin Islands law, our directors have a duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association. We have the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- appointing officers and determining the term of office of the officers;
- authorizing the payment of donations to religious, charitable, public or other bodies, clubs, funds or associations as deemed advisable;
- exercising the borrowing powers of the company and mortgaging the property of the company;
- executing checks, promissory notes and other negotiable instruments on behalf of the company; and
- maintaining or registering a register of mortgages, charges or other encumbrances of the company.

## **Controlled Company**

Our directors and officers currently own and beneficially own a majority of the voting power of our outstanding ordinary shares. Under the Rule 4350(c) of The NASDAQ Capital Market, a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including the requirement that a majority of our directors to be independent, as defined in The NASDAQ Capital Market rules, and the requirement that our compensation and nominating and corporate governance committees consist entirely of independent directors. If we elected to rely on the “controlled company” exemption, a majority of the members of our board of directors might not be independent directors and our nominating and corporate governance and compensation committees might not consist entirely of independent directors. See Risk Factors — As a “controlled company” under the rules of The NASDAQ Capital Market, we may exempt our company from certain corporate governance requirements that could adversely affect our public shareholders.

## **Interested Transactions**

A director may vote, attend a board meeting or sign a document on our behalf with respect to any contract or transaction in which he or she is interested. A director must promptly disclose the interest to all other directors after becoming aware of the fact that he or she is interested in a transaction we have entered into or are to enter into. A general notice or disclosure to the board or otherwise contained in the minutes of a meeting or a written resolution of the board or any committee of the board that a director is a shareholder, director, officer or trustee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company will be sufficient disclosure, and, after such general notice, it will not be necessary to give special notice relating to any particular transaction.

## **Remuneration and Borrowing**

The directors may receive such remuneration as our board of directors may determine from time to time. Each director is entitled to be repaid or prepaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred in attending meetings of our board of directors or committees of our board of directors or shareholder meetings or otherwise in connection with the discharge of his or her duties as a director. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors. Our board of directors may exercise all the powers of the company to borrow money and to mortgage or charge our undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the company or of any third party.

## Qualification

There are no membership qualifications for directors. Further, there are no share ownership qualifications for directors unless so fixed by us in a general meeting. There are no other arrangements or understandings pursuant to which our directors are selected or nominated.

## Limitation of Director and Officer Liability

Under British Virgin Islands law, each of our directors and officers, in performing his or her functions, is required to act honestly and in good faith with a view to our best interests and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. British Virgin Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any indemnification may be held by the British Virgin Islands courts to be contrary to public policy (for example, a provision for indemnification against civil fraud or the consequences of committing a crime).

Under our memorandum and articles of association, we may indemnify our directors, officers and liquidators against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with civil, criminal, administrative or investigative proceedings to which they are party or are threatened to be made a party by reason of their acting as our director, officer or liquidator. To be entitled to indemnification, these persons must have acted honestly and in good faith with a view to the best interest of the company and, in the case of criminal proceedings, they must have had no reasonable cause to believe their conduct was unlawful. The decision of our board of directors as to whether such a person acted honestly and in good faith with a view to the best interests of the company and as to whether the person had no reasonable cause to believe that his or her conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the indemnification, unless a question of law is involved. The termination of any proceedings by any judgment, order, settlement, conviction or the entry of a *nolle prosequi* does not, by itself, create a presumption that a director did not act honestly and in good faith and with a view to our best interests or that the director had reasonable cause to believe that his or her conduct was unlawful. Such limitation of liability does not affect the availability of equitable remedies such as injunctive relief or rescission. These provisions will not limit the liability of directors under United States federal securities laws.

We may indemnify anyone serving at our request as a director of another entity against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings. To be entitled to indemnification, such a person must have acted honestly and in good faith with the view to our best interests and, in the case of criminal proceedings, must have had no reasonable cause to believe that his or her conduct was unlawful. The decision of our board of directors as to whether the person acted honestly and in good faith with a view to our best interests and as to whether the director had no reasonable cause to believe that his or her conduct was unlawful, is in the absence of fraud sufficient for the purposes of indemnification, unless a question of law is involved. The termination of any proceedings by any judgment, order, settlement, conviction or the entry of no plea does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to our best interests or that the person had reasonable cause to believe that his or her conduct was unlawful.

We may purchase and maintain insurance in relation to any of our directors or officers against any liability asserted against the directors or officers and incurred by the directors or officers in that capacity, whether or not we have or would have had the power to indemnify the directors or officers against the liability as provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers or persons controlling our company under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.



## **Involvement in Certain Legal Proceedings**

To the best of our knowledge, none of our directors or officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, nor has any been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in “Related Party Transactions,” our directors and officers have not been involved in any transactions with us or any of our affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

## **Insider Trading Policy**

The Board also adopted an insider trading policy that allows insiders to sell securities of the Company pursuant to pre-arranged trading plans.

This insider trading policy was put into place because effective October 23, 2000, the Securities and Exchange Commission (the “SEC”) adopted rules related to insider trading. One of these rules, Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, provides an exemption to the insider trading rules in the form of an affirmative defense. Rule 10b5-1 recognizes the creation of formal programs under which executives and other insiders may sell the securities of publicly traded companies on a regular basis pursuant to written plans that are entered into at a time when the plan participants are not aware of material non-public information and that otherwise comply with the requirements of Rule 10b5-1.

## **Code of Business Conduct and Ethics and other Corporate Governance Policies**

We have adopted a code of business conduct and ethics that applies to our directors, officers and employees. Our standards are in writing and have been posted on our website at [www.agmprime.com](http://www.agmprime.com). The following is a summation of the key points of the Code of Ethics we adopted:

- Honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure reports and documents that a small business issuer files with, or submits to, the Commission and in other public communications made by our Company;
- Full compliance with applicable government laws, rules and regulations;
- The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- Accountability for adherence to the code.

## **B. Compensation**

### **Director Compensation**

All directors hold office until the next annual meeting of shareholders at which they are re-elected and until their successors have been duly elected and qualified. Officers are elected by and serve at the discretion of the board of directors. Employee directors are entitled receive compensation for their services. Non-employee directors are entitled to receive a set amount of cash fee for serving as directors. In addition, non-employee directors are entitled to receive compensation for their actual travel expenses for each board of directors meeting attended, and any out-of-pocket expenses incurred by them in connection with their services provided in such capacity. We have entered into agreements with our directors Zhentao Jiang, Fangjie Wang, Jialin Liu and Tingfu Xie. In addition, our director Wenjie Tang receives compensation for his service as an officer of the Company. He has not received and will not receive compensation as a director of the Company.

#### ***Zhentao Jiang***

We entered an employment agreement with our Director, Mr. Zhentao Jiang, effective as of January 1, 2018 and running through January 1, 2019, with an annual salary of \$180,000.

### ***Jialin Liu***

We entered an employment agreement with our Director, Mr. Jialin Liu, effective as of March 16, 2017 and running through March 15, 2020, with an annual salary of RMB60,000.

### ***Tingfu Xie***

We entered an employment agreement with our Director, Mr. Tingfu Xie, effective as of March 16, 2017 and running through March 15, 2020, with an annual salary of RMB72,000.

### ***Fangjie Wang***

We entered an employment agreement with our Director, Ms. Fangjie Wang, effective as of January 1, 2019 and running through the Company's next annual meeting of shareholders and until her successor is duly elected and qualified, or until her earlier death, resignation or removal, with an annual salary of RMB72,000.

The table below indicates the compensations we paid to our board of directors in their capacity as directors for fiscal years 2018, 2017 and 2016:

<b>Name</b>	<b>Fiscal Year or Period</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Zhentao Jiang <i>Chairman of the Board</i>	2018	184,656	0	0	0	184,656
	2017	180,000	0	0	0	180,000
	2016	180,000	0	0	0	180,000
Wenjie Tang <i>Director<sup>(1)</sup></i>	2018	0	0	0	0	0
	2017	0	0	0	0	0
	2016	0	0	0	0	0
Fangjie Wang <i>Independent Director and Chairman of Audit Committee<sup>(3)</sup></i>	2018	0	0	0	0	0
	2017	0	0	0	0	0
	2016	0	0	0	0	0
Chuang Chen <i>Former Independent Director and Chairman of Audit Committee<sup>(2) (3)</sup></i>	2018	0	0	0	0	0
	2017	7,992	0	0	0	7,992
	2016	0	0	0	0	0
Jialin Liu <i>Independent Director and Chairman of Compensation Committee<sup>(3)</sup></i>	2018	0	0	0	0	0
	2017	6,660	0	0	0	6,660
	2016	0	0	0	0	0
Tingfu Xie <i>Independent Director and Chairman of Nominating Committee<sup>(3)</sup></i>	2018	0	0	0	0	0
	2017	7,992	0	0	0	7,992
	2016	0	0	0	0	0

(1) Wenjie Tang is also the Chief Executive Officer. Mr. Tang receives an annual salary for his service as the CEO. He does not receive any compensation as a director.

(2) Chuang Chen resigned as an independent director and the Chairman of the Audit Committee in December 2018.

(3) Each independent director has waived his or her compensation for the year 2018 due to the operating results of the Company.

### **Executive Compensation**

The Compensation Committee of the Board of Directors determined the compensation to be paid to our executive officers based on our financial and operating performance and prospects, and contributions made by the officers to our success. And our compensation committee approved our salary and benefit plans. Each of the named officers will be measured by a series of performance criteria by the board of directors, or the compensation committee on a yearly basis. Such criteria will be set forth based on certain objective parameters such as job characteristics, required professionalism, management skills, interpersonal skills, related experience, personal performance and overall corporate performance.

### Summary Compensation Table

The following table presents summary information regarding the total compensation awarded to, earned by, or paid to each of the named executive officers for services rendered to us for the years ended December 31, 2018 and 2017, and 2016.

Name and Principal Position	Fiscal Year or Period	Salary (\$)	Bonus (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Wenjie Tang <i>Chief Executive Officer</i>	2018	151,831	0	0	0	151,831
	2017	144,000	0	0	0	144,000
	2016	144,000	0	0	0	144,000
Guofu Zhang <i>Chief Financial Officer</i>	2018	76,988	0	0	0	76,988
	2017	81,768	0	0	0	81,768
	2016	81,107	0	0	0	81,107
Chengchun Zhang <i>Chief Operating Officer</i>	2018	180,000	0	0	0	180,000
	2017	180,000	0	0	0	180,000
	2016	180,000	0	0	0	180,000
Yufeng Mi <i>Chief Technology Officer</i>	2018	117,588	0	0	0	117,588
	2017	132,229	0	0	0	132,229
	2016	102,142	0	0	0	102,142
Bin Liu <i>Former Chief Risk Officer<sup>(1)</sup></i>	2018	0	0	0	0	0
	2017	88,000	0	0	0	88,000
	2016	0	0	0	0	0
Chenxi Shi <i>Former Secretary of the Board<sup>(2)</sup></i>	2018	0	0	0	0	0
	2017	120,000	0	0	0	120,000
	2016	40,000	0	0	0	40,000
Yafang Wang <i>Secretary of the Board</i>	2018	5,820	0	0	0	5,820
	2017	0	0	0	0	0
	2016	0	0	0	0	0

(1) Bin Liu has resigned as Chief Risk Officer in June 2018.

(2) Chenxi Shi has resigned as Secretary of the Board in May 2018.

#### Employment Agreements

Our employment agreements with our officers generally provide for employment for a specific term and pay annual salary, health insurance, pension insurance, and paid vacation and family leave time. The agreement may be terminated by either party as permitted by law. In the event of a breach or termination of the agreement by our company, we may be obligated to pay the employee twice the ordinary statutory rate. In the event of a breach or termination causing loss to our company by the employee, the employee may be required to indemnify us against loss. We have executed employment agreements with Mr. Zhentao Jiang, Mr. Wenjie Tang, Mr. Yufeng Mi, Mr. Chengchun Zhang, Mr. Guofu Zhang, and Ms. Yafang Wang.

#### ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

##### Major Shareholders

The following table sets forth information with respect to beneficial ownership of our Class A Ordinary Shares and Class B Ordinary Shares as of May 15, 2019 by:

- Each person who is known by us to beneficially own more than 5% of our outstanding Class A Ordinary Shares and Class B Ordinary Shares;
- Each of our director, director nominees and named executive officers; and
- All directors and named executive officers as a group.

Our company is authorized to issue 200,000,000 Class A Ordinary Shares of \$0.001 par value per share and 200,000,000 Class B Ordinary Shares of \$0.001 par value per share. The number and percentage of Ordinary Shares beneficially owned are based on 21,316,055 Class A Ordinary Shares of \$0.001 par value per share and 11,900,000 Class B Ordinary Shares of \$0.001 par value per share issued and outstanding as of May 15, 2019. Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our Ordinary Shares. Beneficial ownership is determined in accordance with the rules of the SEC and generally requires that such person have voting or investment power with respect to securities. In computing the number of Ordinary Shares beneficially owned by a person listed below and the percentage ownership of such person, Ordinary Shares underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of May 15, 2019 are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated in the footnotes to this table, or as required by applicable community property laws, all persons listed have sole voting and investment power for all Ordinary Shares shown as beneficially owned by them. Unless otherwise indicated in the footnotes, the address for each principal shareholder is in the care of our Company at 1 Jinghua South Road, Wangzuo Plaza East Tower, Room 2112, Beijing, P.R. China 100020. As of May 15, 2019, we have 54 registered shareholders of record of Class A Ordinary Shares.

<b>Named Executive Officers and Directors</b>	<b>Amount of Beneficial Ownership (Class A)</b>	<b>Percentage Ownership (Class A)</b>	<b>Amount of Beneficial Ownership (Class B)</b>	<b>Percentage Ownership (Class B)</b>	<b>Combined ownership of Class A and Class B</b>	<b>Combined Voting Power of Class A and Class B Ordinary Shares<sup>(3)</sup></b>
<b>Directors and Named Executive Officers:</b>						
Zhentao Jiang, Chairman of the Board <sup>(1)</sup> (2)	3,400,000	15.95%	7,400,000	62.18%	10,800,000	49.99%
Wenjie Tang, Chief Executive Officer and Director <sup>(2)</sup>	6,500,000	30.49%	1,500,000	12.61%	8,000,000	17.32%
Guofu Zhang, Chief Financial Officer	-	0%	-	0%	-	0%
Chengchun Zhang, Chief Operating Officer <sup>(2)</sup>	2,400,000	11.26%	2,400,000	20.17%	4,800,000	17.82%
Yufeng Mi, Chief Technology Officer	600,000	2.81%	600,000	5.04%	1,200,000	4.45%
Yafang Wang, Secretary of the Board	-	0%	-	0%	-	0%
Fangjie Wang, Independent Director and Chairman of Audit Committee	-	0%	-	0%	-	0%
Jialin Liu, Independent Director and Chairman of Compensation Committee	-	0%	-	0%	-	0%
Tingfu Xie, Independent Director and Chairman of Nominating Committee	-	0%	-	0%	-	0%
<b>All directors and executive officers as a group (10 persons)</b>	<b>12,900,000</b>	<b>60.52%</b>	<b>11,900,000</b>	<b>100%</b>	<b>24,800,000</b>	<b>89.59%</b>
<b>5% Beneficial Owners:</b>						
Firebull Holdings Limited <sup>(2)</sup>	5,000,000	23.46%	5,000,000	42.02%	10,000,000	37.12%

(1) Zhentao Jiang individually holds 2,400,000 shares of Class A Ordinary Shares and 2,400,000 shares of Class B Ordinary Shares, representing 11.26% and 20.17% of the total outstanding Class A Ordinary Shares outstanding and Class B Ordinary Shares, respectively.

In addition, Zhentao Jiang indirectly holds and has sole voting and dispositive power of the 1,000,000 shares of Class A Ordinary Shares beneficially owned by Northnew Management Limited, a company formed under the laws of Seychelles. Northnew Management Limited may, from time to time, transfer shares of our company to our executive officers as equity incentive to retain their services.

As disclosed in (2) below, Zhentao Jiang also has the voting and dispositive power of the 5,000,000 shares of Class B Ordinary Shares beneficially owned by Firebull Holdings Limited.

- (2) Wenjie Tang individually holds 1,500,000 shares of Class A Ordinary Shares and 1,500,000 shares of Class B Ordinary Shares, representing 7.04% and 12.61% of the total outstanding Class A Ordinary Shares and Class B Ordinary Shares, respectively.

Chengchun Zhang individually holds 2,400,000 shares of Class A Ordinary Shares and 2,400,000 shares of Class B Ordinary Shares, representing 11.26% and 20.17% of the total outstanding Class A Ordinary Shares and Class B Ordinary Shares, respectively.

In addition, Wenjie Tang and Chengchun Zhang jointly and indirectly hold the 5,000,000 shares of Class A Ordinary Shares and the 5,000,000 shares of Class B Ordinary Shares beneficially owned by Firebull Holdings Limited, a company formed under the laws of Hong Kong SAR. Wenjie Tang has the voting and dispositive power of the 5,000,000 shares of Class A Ordinary Shares beneficially owned by Firebull Holdings Limited. The dividend rights of the 5,000,000 shares of Class A Ordinary Shares owned by Firebull are reserved to our employees as equity incentive to retain talent. Zhentao Jiang has the voting and dispositive power of the 5,000,000 shares of Class B Ordinary Shares beneficially owned by Firebull Holdings Limited.

- (3) Each Class B Ordinary Share in the Company confers upon the shareholder the right to five (5) votes at a meeting of the shareholders of the Company or on any resolution of shareholders. Holders of our Class B Ordinary Share will vote together with holders of our Class A Ordinary Share as a single class on all matters presented to our shareholders for their vote approval.

#### **Related Party Transactions**

Related parties of the Company consist of the following:

<b>Name of Related Party</b>	<b>Nature of Relationship</b>
Zhentao Jiang	Director and principal shareholder
Wenjie Tang	Chief Executive Officer (“CEO”), Director, and shareholder
Yufeng Mi	Chief Technical Officer (“CTO”) and shareholder
Bin Liu	Former Chief Risk Officer (“CRO”)
Guofu Zhang	Chief Financial Officer (“CFO”)
Chengchun Zhang	Chief Operational Officer (“COO”) and principal shareholder
IIG Ltd.	Company under common control of Zhentao Jiang
Firebull Holdings Limited	Company under common control of Wenjie Tang and Chengchun Zhang
Nanjing Yunxinhe Software Technology Co., Ltd.	Company formerly controlled by Zhentao Jiang and still significantly influenced by Zhentao Jiang
Anyi Network Inc.	Company where Guofu Zhang assumed a key management position
Beijing Maiteke Technology Co., Ltd.	Company where Wenjie Tang assumed a key management position
Northnew Management Limited	Company under common control of Zhentao Jiang

#### ***i) Revenues from related party and accounts receivable from related party***

We provide online trading access software application service to IIG Ltd. For the years ended December 31, 2018 and 2017, the Company generated related party revenues from IIG Ltd. in the amount of \$1,240,708, \$2,170,838 and \$2,720,936, respectively. The related party accounts receivable with IIG Ltd. amounted to \$0, \$172,237, and \$247,000 as of December 31, 2018, 2017 and 2016, respectively.

#### ***ii) Subscription receivables***

Subscription receivable of \$740,000 as of December 31, 2016 represents the Company’s outstanding share subscription receivable owned from Chengchun Zhang and other managements and principal shareholder of the Company. The receivables were collected as of May 11, 2017. Refer to Note 14 for further discussion.

#### ***ii) Acquisition of AGM Global Asset Management Ltd.***

On May 25, 2018, we purchased AGM Global Asset Management Ltd from a third-party entity which was owned by two related parties: Mr. Wenjie Tang, Chief Executive Officer, and Mr. Yufeng Mi, Chief Technology Officer.

On May 30, 2018, our subsidiary, AGM HK paid 50% of total purchase price of \$22,635 and the remaining balance of \$11,318 was recorded as due to related parties at December 31, 2018.

**(iii) Notes payable – related parties and due to related parties**

We mainly finance our operations through proceeds borrowed from related parties. As of December 31, 2018 and 2017, notes payables - related parties and due to related parties consisted the following:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Zhentaο Jiang	\$ -	\$ -
Wenjie Tang	-	1,301,534
<b>Total notes payable - related parties</b>	<b>-</b>	<b>1,301,534</b>
Zhentaο Jiang	1,307,264	-
Wenjie Tang	11,318	19,949
Guofu Zhang	29,399	40,902
<b>Total due to related parties</b>	<b>1,347,981</b>	<b>60,851</b>
<b>Total</b>	<b>\$ 1,347,981</b>	<b>\$ 1,362,385</b>

The balance of due to related parties represents expenses incurred by related parties in the ordinary course of business and expenses paid by related parties on behalf of the Company. These amounts are interest free, unsecured and repayable on demand.

For the year ended December 31, 2018, Zhentaο Jiang, Guofu Zhang, Wenjie Tang and their related companies paid operating expenses on behalf of the Company of \$419,645. For the year ended December 31, 2017, Zhentaο Jiang, Wenjie Tang, Guofu Zhang, and Bin Liu paid operating expenses on behalf of the Company of \$142,085.

We entered into an advance agreement with Wenjie Tang, allowing us to borrow unsecured and interest-free loans on January 1, 2017. The balances and material terms of the advance agreements are summarized below:

- The amount authorized for borrowing shall not exceed RMB15,000,000 (approximately \$2,305,000).
- The loan is interest-free and payable on December 31, 2018.
- The term of the loan is two years from January 1, 2017 to December 31, 2018.
- The balance was \$0 and \$1,301,534 as of December 31, 2018 and 2017, respectively.

We borrowed \$8,581,150, \$4,032,044, and \$3,766,201 from related parties in the years ended December 31, 2018, 2017 and 2016, respectively, and repaid \$6,837,611, \$6,826,231, and \$195,228 in the years ended December 31, 2018, 2017 and 2016, respectively.

As of December 31, 2018, the balance owed to Zhentaο Jiang, Wenjie Tang and Guofu Zhang amounted to \$1,307,264, \$11,318 and \$29,399, respectively. As of December 31, 2017, the balance owed to Zhentaο Jiang, Wenjie Tang and Guofu Zhang amounted to \$0, \$1,321,483 and \$40,902, respectively.

**ITEM 8. FINANCIAL INFORMATION**

**A. Consolidated Statements and Other Financial Information**

Please refer to Item 18.

**Legal and Administrative Proceedings**

To the best of our knowledge, none of our directors or officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, nor has any been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in "Related Party Transactions," our directors and officers have not been involved in any transactions with us or any of our affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

## Dividend Policy

We have never declared or paid any cash dividends on our Class A Ordinary Shares. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospects and other factors the board of directors may deem relevant.

Under British Virgin Islands law and our memorandum and articles of association, the board of directors may only authorize the payment of a dividend or another distribution if the directors are satisfied on reasonable grounds that, immediately after the dividend or other distribution is paid, the value of the company's assets will exceed its liabilities and the company will be able to pay its debts as they fall due. The resolution of directors authorizing the payment of the dividend or other distribution must contain a statement that, in the directors' opinion, the company will satisfy these two tests immediately after the payment of the dividend or other distribution.

If we determine to pay dividends on any of our Class A Ordinary Shares in the future, as a holding company, we will be dependent on receipt of funds from our operating subsidiaries. Current Hong Kong regulations permit our HK subsidiary, AGM HK to pay dividends to AGM Holdings only out of profits available for distribution. Withholding tax regarding dividends is exempted in Hong Kong.

Current PRC regulations permit our PRC subsidiaries to pay dividends to AGM HK only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. Each of our subsidiaries in China is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund, although the amount to be set aside, if any, is determined at the discretion of its board of directors. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of liquidation.

In addition, pursuant to the EIT Law and its implementation rules, dividends generated after January 1, 2008 and distributed to us by our PRC subsidiaries are subject to withholding tax at a rate of 10% unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations in China may be used to pay dividends to our company.

## B. Significant Changes

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

## ITEM 9. THE OFFER AND LISTING

### A. Offer and listing details

Our Class A ordinary shares have been listed on the Nasdaq Capital Market since April 18, 2018 under the symbol "AGMH." The table below shows, for the periods indicated, the high and low market prices for our shares.

	Market Price Per Share	
	High	Low
<b>Quarterly:</b>		
April 18, 2018 to June 30, 2018	\$ 37.63	\$ 5.01
July 1, 2018 to September 30, 2018	\$ 39.00	\$ 12.34
October 1, 2018 to December 31, 2018	\$ 50.00	\$ 18.00
January 1, 2019 to March 31, 2019	\$ 35.90	\$ 18.05
April 1, 2019 to May 13, 2019	\$ 20.94	\$ 14.69

**B. Plan of distribution**

Not applicable for annual reports on Form 20-F.

**C. Markets**

Our Class A ordinary shares are listed on the Nasdaq Capital Market under the symbol "AGMH."

**D. Selling shareholders**

Not applicable for annual reports on Form 20-F.

**E. Dilution**

Not applicable for annual reports on Form 20-F.

**F. Expenses of the issue**

Not applicable for annual reports on Form 20-F.

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

Not applicable for annual reports on Form 20-F.

**B. Memorandum and articles of association**

AGM Holdings was incorporated on April 27, 2015 under the BVI Companies Act, 2004 as a company limited by shares. As of the date of this prospectus, the Company is authorized to issue 200,000,000 Class A Ordinary Shares of \$0.001 par value per share and 200,000,000 Class B Ordinary Shares of \$0.001 par value per share. As of the date of this report, there are 21,316,055 Class A Ordinary Shares and 11,900,000 Class B Ordinary Shares issued and outstanding.

Our memorandum and articles of association do not permit a director to decide what compensation he or she will receive. All decisions about the compensation of directors will be recommended by the compensation committee, upon its formation, and approved by the board of directors as a whole, both acting only when a quorum of members is present.

The following are summaries of the material provisions of our memorandum and articles of association that will be in force at the time of the closing of this offering and the BVI Act, insofar as they relate to the material terms of our Class A Ordinary Shares. Copies of our memorandum and articles of association are filed as exhibits to the registration statement of which this prospectus is a part. As a convenience to potential investors, we provide the below description of BVI law and our memorandum and articles of association together with a comparison to similar features under Delaware law.

**Class A Ordinary Shares****General**

Each Class A Ordinary Share in the Company confers upon the shareholder the right to one vote per share at a meeting of the shareholders of the Company or on any resolution of shareholders. Holders of our Class A Ordinary Share will vote together with holders of our Class B Ordinary Share as a single class on all matters presented to our shareholders for their vote approval.

Each Class A Ordinary Share in the Company confers upon the shareholder the right to an equal share in any dividend paid by the Company.

Each Class A Ordinary Share in the Company confers upon the shareholder the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.



All of our issued Class A Ordinary Shares are fully paid and non-assessable. Certificates representing the Class A Ordinary Shares are issued in registered form. Our shareholders who are non-residents of the British Virgin Islands may freely hold and vote their Class A Ordinary Shares.

At the completion of this offering, there will be between 21,010,000 (assuming the sale of 1,000,000 shares) and 21,410,000 (assuming the sale of 1,400,000 shares) Class A Ordinary Shares issued and outstanding.

### **Class B Ordinary Shares**

#### **General**

Each Class B Ordinary Share in the Company confers upon the shareholder the right to five votes at a meeting of the shareholders of the Company or on any resolution of shareholders. Holders of our Class B Ordinary Share will vote together with holders of our Class A Ordinary Share as a single class on all matters presented to our shareholders for their vote approval.

No Class B Ordinary Share may be sold, assigned, transferred, alienated, commuted, anticipated, or otherwise disposed of (including by will or the laws of descent and distribution), or pledged or hypothecated as collateral for a loan or as security for the performance of any obligation, or be otherwise encumbered, and are not subject to attachment, garnishment, execution or other legal or equitable process, and any attempt to do so shall be null and void.

Each Class B Ordinary Share shall only be issued to the Company's or its subsidiaries' employees or those entities of which its principal shareholder is an employee of the Company or its subsidiaries. Shareholder's termination of employment with the Company or its subsidiaries shall immediately result in the cancellation of any and all issued and outstanding shares of Class B ordinary shares held by such shareholder on the date of termination.

Sale, assignment, transfer, alienation, or otherwise disposition of any Class A Ordinary Share by common shareholder of Class B Ordinary Shares shall immediately result in the cancellation of equal number of shares of Class B ordinary share on the date of such disposition.

Shareholder(s) of Class B ordinary share in the Company shall not:

- receive the right to any dividend paid by the Company;
- receive the right to any distribution of the surplus assets of the Company on its liquidation.

At the completion of this offering, there will be 11,900,000 Class B Ordinary Shares issued and outstanding.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for the Class A Ordinary Shares is VStock Transfer, LLC, 18 Lafayette Place, Woodmere, NY 11598.

#### **Distributions**

The holders of our Class A Ordinary Shares are entitled to such dividends or other distributions as may be authorized by our board of directors, subject to the BVI Act and our memorandum and articles of association.

#### **Shareholders' voting rights**

Any action required or permitted to be taken by the shareholders must be taken at a duly called meeting of the shareholders entitled to vote on such action. At each meeting of shareholders, each shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) will have one vote for each Class A Ordinary Share or five votes for each Class B Ordinary Share. Holders of our Class A Ordinary Share will vote together with holders of our Class B Ordinary Share as a single class on all matters presented to our shareholders for their vote approval. An action that may be taken by the shareholders at a meeting may also be taken by a resolution of shareholders consented to in writing.

## **Election of directors**

Delaware law permits cumulative voting for the election of directors only if expressly authorized in the certificate of incorporation. The laws of the British Virgin Islands do not specifically prohibit or restrict the creation of cumulative voting rights for the election of our directors. Cumulative voting is not a concept that is accepted as a common practice in the British Virgin Islands, and we have made no provisions in our memorandum and articles of association to allow cumulative voting for elections of directors.

## **Meetings of shareholders**

Any of our directors may convene a meeting of shareholders at any time and in any manner and place the director considers necessary or desirable. The director convening a meeting must not give less than seven days' notice of the meeting to those shareholders whose names appear as shareholders in the register of shareholders on the date of the notice and are entitled to vote at the meeting, and the other directors. Our board of directors must convene a meeting of shareholders upon the written request of shareholders entitled to exercise 30% or more of the voting rights in respect of the matter for which the meeting is requested within 28 days of receiving the written request. A meeting of shareholders held in contravention of the requirement to give notice is valid if shareholders holding at least 90% of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall constitute waiver in relation to all the shares which that shareholder holds.

The quorum for a meeting of shareholders is duly constituted if, at the beginning of the meeting, there are present in person or by proxy not less than 50% of the votes of the shares (or class or series of shares) entitled to vote on the resolutions to be considered at the meeting. A quorum may comprise a single shareholder or proxy. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the shareholders, will be dissolved. In any other case, it will stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the shares or each class or series of shares entitle to vote on the matter to be considered by the meeting, those present will constitute a quorum but otherwise the meeting will be dissolved.

## **Meetings of directors**

Our business and affairs are managed by our board of directors, who will make decisions by voting on resolutions of directors. Our directors are free to meet at such times and in such manner and places within or outside the BVI as the directors determine to be necessary or desirable. A director must be given not less than 3 days' notice of a meeting of directors. At any meeting of directors, a quorum will be present if not less than one half of the total number of directors is present, unless there are only 2 directors in which case the quorum is 2. An action that may be taken by the directors at a meeting may also be taken by a resolution of directors consented to in writing by a majority of the directors. A person other than an individual which is a shareholder may by a resolution of its directors or other governing body authorise any individual it thinks fit to act as its representative at any meeting of shareholders. The duly authorized representative shall be entitled to exercise the same powers on behalf of the person which he represents as that person could exercise if it were an individual.

## **Protection of minority shareholders**

We would normally expect British Virgin Islands courts to follow English case law precedents, which would permit a minority shareholder to commence a representative action, or derivative actions in our name, to challenge (1) an act which is ultra vires or illegal, (2) an act which constitutes a fraud against the minority by parties in control of us, (3) an infringement of individual rights of the minority shareholder (such as the right to vote and pre-emptive rights), and (4) an irregularity in the passing of a resolution which requires a special or extraordinary majority of the shareholders.

### **Pre-emptive rights**

There are no pre-emptive rights applicable to the issue by us of new Class A Ordinary Shares under either British Virgin Islands law or our memorandum and articles of association.

### **Transfer of Class A Ordinary Shares**

Subject to the restrictions in our memorandum and articles of association and applicable securities laws, any of our shareholders may transfer all or any of his or her Class A Ordinary Shares by written instrument of transfer signed by the transferor and containing the name and address of the transferee. Our board of directors may not resolve to refuse or delay the transfer of any Ordinary Share unless the shareholder has failed to pay an amount due in respect of it.

### **Liquidation**

If we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay all amounts paid to us on account of the issue of shares immediately prior to the winding up, the excess shall be distributable *pari passu* among those shareholders in proportion to the amount paid up immediately prior to the winding up on the shares held by them, respectively. If we are wound up and the assets available for distribution among the shareholders as such are insufficient to repay the whole of the amounts paid to us on account of the issue of shares, those assets shall be distributed so that, to the greatest extent possible, the losses shall be borne by the shareholders in proportion to the amounts paid up immediately prior to the winding up on the shares held by them, respectively. If we are wound up, the liquidator appointed by us may, in accordance with the BVI Act, divide among our shareholders in specie or kind the whole or any part of our assets (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

### **Calls on Class A Ordinary Shares and forfeiture of Class A Ordinary Shares**

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their Class A Ordinary Shares in a notice served to such shareholders at least 14 days prior to the specified date of payment. Where such a notice has been issued its requirements have not been complied with, the directors may, at any time before the tender of payment, forfeit and cancel the Class A Ordinary Shares to which the notice relates.

### **Issuance of Class A Ordinary Shares**

Subject to the provisions of the BVI Act, our board of directors may authorize the issuance of shares at such times, to such persons, for such consideration and on such terms as they may determine by a resolution of directors, subject to the BVI Act, our memorandum and articles of association and any applicable requirements imposed from time to time by the SEC, The Nasdaq Capital Market or any recognized stock exchange on which our securities are listed.

### **Variation of rights**

All or any of the rights attached to any class of shares may, subject to the provisions of the BVI Act, be varied only with the consent in writing of, or pursuant to a resolution passed at a meeting by the holders of more than 50% of the issued shares of that class.

### **Changes in the number of shares we are authorized to issue and those in issue**

We may from time to time by resolution of our board of directors:

- amend our memorandum of association to increase or decrease the maximum number of shares we are authorized to issue;
- subject to our memorandum of association, divide our authorized and issued shares into a larger number of shares; and
- subject to our memorandum of association, combine our authorized and issued shares into a smaller number of shares.

## **Inspection of books and records**

Under the BVI Act, holders of our Class A Ordinary Shares are entitled, upon giving written notice to us, to inspect (i) our memorandum and articles of association, (ii) our register of shareholders, (iii) our register of directors and (iv) minutes of meetings and resolutions of our shareholders, and to make copies and take extracts from these documents and records. However, our directors can refuse access if they are satisfied that to allow such access would be contrary to our interests.

## **Rights of non-resident or foreign shareholders**

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

## **C. Material contracts**

### ***Acquisition of SIFT Capital Partners Limited***

On May 24, 2018, AGM HK entered into an equity acquisition agreement with SIFT Capital Partners Limited (“SIFT”) and its shareholders to acquire 75% of SIFT’s equity. In exchange, AGM HK agreed to pay the shareholders of SIFT a total of HK\$6,000,000 (approximately \$764,759 based on exchange rate of 7.8456 on May 24, 2018) (the “Purchase Price”). AGM HK has also made an initial payment of twenty percent (20%) of the Purchase Price (the “SIFT Deposit”). A thirty percent (30%) of the Purchase Price would be paid after the completion of legal and financial due diligence, and the remaining fifty percent (50%) would be paid after Securities and Futures Commission of Hong Kong (“SFC”) approved the transaction and the Amendment to the Articles of Association of SIFT was recorded. If the SFC approval is not granted, the agreement would be deemed canceled and payments made would be returned to AGM HK.

SIFT is an asset manager established under the laws of Hong Kong and has been licensed under the Securities and Futures Commission (“SFC”) of Hong Kong since October 2013. SIFT is authorized by the SFC to manage a portfolio of securities or futures contracts for clients and to manage funds on a discretionary basis. Since its establishment, SIFT has been committed to practicing under the Hong Kong financial regulatory authority and helping its Chinese clients achieve their goals in terms of outbound investments in the fields of securities, fixed income and private equity. Benefiting from the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect respectively in 2014 and in 2016, SIFT broadened its investment scope and research to cover listed companies in both Shanghai and Shenzhen Stock Exchanges.

### ***Acquisition of AGM Global Asset Management Ltd.***

On May 25, 2018, AGM Group entered into an equity acquisition agreement with Alpha Growth Management Co., Ltd. (“Alpha Growth”), the sole shareholder of AGM Global Asset Management Ltd. (“AGM Global”), to acquire 100% equity interest in AGM Global. In exchange, we agree to pay Alpha Growth a total of \$22,635. We have paid Alpha Growth \$11,317.5, which is 50% of the total amount. Prior to the transaction, 75% of the issued and outstanding shares of Alpha Growth was owned by Wenjie Tang, our Chief Executive Officer and director, and 25% by Yufeng Mi, our Chief Technology Officer. As a result, the transaction is deemed a related party transaction.

AGM Global was incorporated under the laws of Cayman Islands. AGM Global is not conducting any business currently, we plan to engage in investment fund business through AGM Global in the future.

### ***Investment in Matrix International Group Inc.***

On July 23, 2018, AGM Group entered into an equity acquisition agreement with certain shareholder of Matrix International Group Inc. (“Matrix”), a Canadian start-up company providing currency exchange platform services and related software solutions for individual and business clients, to acquire 5% equity interest in Matrix.

### ***Investment in Guochuang Shenzhen Investment Co. Ltd.***

On August 8, 2018 AGM Beijing entered into an investment agreement with Guochuang Shenzhen Investment Co. Ltd. (“Guochuang”) and its shareholders to invest RMB 2,500,000 (approximately \$36,5802 based on exchange rate of 6.8343 on August 8, 2018) in Guochuang’s equity, giving AGM Beijing 20% ownership of Guochuang. Guochuang was incorporated under the laws of People’s Republic of China. Yufeng Mi, our Chief Technology Officer, held 40% and 32% of Guochuang’s equity interest before and after AGM Beijing’s investment, respectively. As a result, the transaction is deemed a related party transaction.

### ***Transfer of Equity Interest of AGM Group Ltd.***

On September 5, 2018, AGM Holdings and its Chairman, Zhentao Jiang, entered into an equity acquisition agreement, pursuant to which AGM Holdings sold to Mr. Jiang 90% equity interest in AGM Group Ltd. (“AGM Belize”), a Belize company, for \$450,000, which is 90% of AGM Belize’s estimated value of \$500,000. See “Item 4. Information on the Company – Discontinued Services”

## **D. Exchange controls**

### ***Regulations on Foreign Currency Exchange***

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated another circular in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. On February 28, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment, or SAFE Notice 13. After SAFE Notice 13 became effective on June 1, 2015, instead of applying for approvals regarding foreign exchange registrations of foreign direct investment and overseas direct investment from SAFE, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration.

On March 30, 2015, SAFE promulgated Circular 19, which expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. Circular 19 came into force and replaced both previous Circular 142 and Circular 36 on June 1, 2015. On June 9, 2016, SAFE promulgated Circular 16 to further expand and strengthen such reform. Under Circular 19 and Circular 16, foreign-invested enterprises in the PRC are allowed to use their foreign exchange funds under capital accounts and RMB funds from exchange settlement for expenditure under current accounts within its business scope or expenditure under capital accounts permitted by laws and regulations, except that such funds shall not be used for (i) expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations; (ii) investments in securities or other investments than banks' principal-secured products; (iii) granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

In January 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification, or SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Further, according to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

#### ***Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents***

SAFE issued SAFE Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, that became effective in July 2014, replacing the previous SAFE Circular 75. SAFE Circular 37 regulates foreign exchange matters in relation to the use of special purpose vehicles, or SPVs, by PRC residents or entities to seek offshore investment and financing or conduct round trip investment in China. Under SAFE Circular 37, a SPV refers to an offshore entity established or controlled, directly or indirectly, by PRC residents or entities for the purpose of seeking offshore financing or making offshore investment, using legitimate onshore or offshore assets or interests, while "round trip investment" refers to direct investment in China by PRC residents or entities through SPVs, namely, establishing foreign-invested enterprises to obtain the ownership, control rights and management rights. SAFE Circular 37 provides that, before making contribution into an SPV, PRC residents or entities are required to complete foreign exchange registration with SAFE or its local branch. SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment in February 2015, which took effect on June 1, 2015. This notice has amended SAFE Circular 37 requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

PRC residents or entities who had contributed legitimate onshore or offshore interests or assets to SPVs but had not obtained registration as required before the implementation of the SAFE Circular 37 must register their ownership interests or control in the SPVs with qualified banks. An amendment to the registration is required if there is a material change with respect to the SPV registered, such as any change of basic information (including change of the PRC residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, and mergers or divisions. Failure to comply with the registration procedures set forth in SAFE Circular 37 and the subsequent notice, or making misrepresentation on or failure to disclose controllers of the foreign-invested enterprise that is established through round-trip investment, may result in restrictions being imposed on the foreign exchange activities of the relevant foreign-invested enterprise, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject relevant PRC residents or entities to penalties under PRC foreign exchange administration regulations.

We are aware that our PRC resident beneficial owners subject to these registration requirements have registered with the Beijing SAFE branch and/or qualified banks to reflect the recent changes to our corporate structure.

## **E. Taxation**

The following brief description of Chinese enterprise laws is designed to highlight the enterprise-level taxation on our earnings, which will affect the amount of dividends, if any, we are ultimately able to pay to our shareholders.

PRC enterprise income tax is calculated based on taxable income determined under PRC accounting principles. The Enterprise Income Tax Law (the "EIT Law"), effective as of January 1, 2008, enterprises pay a unified income tax rate of 25% and unified tax deduction standards are applied equally to both domestic-invested enterprises and foreign-invested enterprises. Under the EIT Law, an enterprise established outside of the PRC with "de facto management bodies" within the PRC is considered a resident enterprise and will normally be subject to the enterprise income tax at the rate of 25% on its global income. If the PRC tax authorities subsequently determine that we, AGM Shenzhen, AGM Beijing, AGM Nanjing (collectively, "AGM PRC") or any future non-PRC subsidiary should be classified as a PRC resident enterprise, then such entity's global income will be subject to PRC income tax at a tax rate of 25%. In addition, under the EIT Law, payments from AGM PRC to us may be subject to a withholding tax. The EIT Law currently provides for a withholding tax rate of 20%. If AGM Holdings or AGM PRC is deemed to be a non-resident enterprise, then it will be subject to a withholding tax at the rate of 20% on any dividends paid by its Chinese subsidiaries to such entity. In practice, the tax authorities typically impose the withholding tax rate of 10% rate, as prescribed in the implementation regulations; however, there can be no guarantee that this practice will continue as more guidance is provided by relevant government authorities. We are actively monitoring the proposed withholding tax and are evaluating appropriate organizational changes to minimize the corresponding tax impact.

According to the Sino-U.S. Tax Treaty which was effective on January 1, 1987 and aimed to avoid double taxation disadvantage, income that is incurred in one nation should be taxed by that nation and exempted from the other nation, but for the dividend that is generated in China and distributed to foreigner in other nations, a rate 10% tax will be charged.

Our company will have to withhold that tax when we are distributing dividends to our foreign investors. If we do not fulfill this duty, we will receive a fine up to five times of the amount we are supposed to pay as tax or other administrative penalties from government. The worst case could be criminal charge of tax evasion to responsible persons. The criminal penalty for this offense depends on the tax amount the offender evaded, and the maximum penalty will be 3-7 years imprisonment plus fine.

### **PRC Value Added Tax**

Pursuant to the Provisional Regulation of China on Value Added Tax and its implementing rules, issued in December 1993, all entities and individuals that are engaged in the businesses of sales of goods, provision of repair and placement services and importation of goods into China are generally subject to a VAT at a rate of 17% (with the exception of certain goods which are subject to a rate of 13%) of the gross sales proceeds received, less any VAT already paid or borne by the taxpayer on the goods or services purchased by it and utilized in the production of goods or provisions of services that have generated the gross sales proceeds.

### **PRC Business Tax**

Companies in China are generally subject to business tax and related surcharges by various local tax authorities at rates ranging from 3% to 20% on revenue generated from providing services and revenue generated from the transfer of intangibles. However, since May 1st of 2016, the Business Tax has been incorporated into Value Added Tax in China, which means there will be no more Business Tax and accordingly some business operations previously taxed in the name of Business Tax will be taxed in the manner of VAT thereafter. In general, this newly implemented policy is intended to relieve many companies from heavy taxes under currently slowing down economy. In the case of AGM Holdings's Chinese subsidiaries, even though the VAT rate is 17%, with the deductibles the company may get in the business process, it will bear less burden than previous Business Tax.

### **British Virgin Islands Taxation**

Under the BVI Act as currently in effect, a holder of Ordinary Shares who is not a resident of the British Virgin Islands is exempt from British Virgin Islands income tax on dividends paid with respect to the Ordinary Shares and a holder of Ordinary Shares is not required to pay any income tax in the British Virgin Islands on gains realized during that year on sale or disposal of such shares. The laws of the British Virgin Islands do not impose a withholding tax on dividends paid by a company incorporated or re-registered under the BVI Act.

There are no capital gains, gift or inheritance taxes levied by the British Virgin Islands government on companies incorporated or re-registered under the BVI Act. In addition, shares of companies incorporated or re-registered under the BVI Act are not subject to transfer taxes, stamp duties or similar charges.

There is no income tax treaty or convention currently in effect between the United States and the British Virgin Islands or between China and the British Virgin Islands.

#### **United States Federal Income Taxation**

The following does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to mark-to-market;
- U.S. expatriates;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding our Ordinary Shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting shares;
- persons who acquired our Ordinary Shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding our Ordinary Shares through partnerships or other pass-through entities.

Prospective purchasers are urged to consult their own tax advisors about the application of the U.S. Federal tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our Ordinary Shares.

#### **Tax Treaties**

As above mentioned, according to the Sino-U.S. Tax Treaty which was effective on January 1st, 1987 and aimed to avoid double taxation disadvantage, income that is incurred in one nation should be taxed by that nation and exempted from the other nation, but for the dividend that is generated in China and distributed to foreigners in other nations, a rate 10% tax will be charged.



## Taxation of Dividends and Other Distributions on our Ordinary Shares

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us to you with respect to the Ordinary Shares (including the amount of any taxes withheld therefrom) will generally be includable in your gross income as dividend income on the date of receipt by you, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the Ordinary Shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. Under U.S. Internal Revenue Service authority, Ordinary Shares are considered for purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on The Nasdaq Capital Market. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our Ordinary Shares, including the effects of any change in law.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to our Ordinary Shares will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.”

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), it will be treated first as a tax-free return of your tax basis in your Ordinary Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

## Taxation of Dispositions of Ordinary Shares

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a share equal to the difference between the amount realized (in U.S. dollars) for the share and your tax basis (in U.S. dollars) in the Ordinary Shares. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the Ordinary Shares for more than one year, you will be eligible for reduced tax rates of 0% (for individuals in the 10% or 15% tax brackets), 20% (for individuals in the 39.6% tax brackets) or 15% for all other individuals. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize will generally be treated as United States source income or loss for foreign tax credit limitation purposes.

## Passive Foreign Investment Company

Based on our current and anticipated operations and the composition of our assets, we do not expect to be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for our current taxable year ending December 31, 2018. Our actual PFIC status for the current taxable year ending December 31, 2018 will not be determinable until the close of such taxable year and, accordingly, there is no guarantee that we will not be a PFIC for the current taxable year. Because PFIC status is a factual determination for each taxable year which cannot be made until the close of the taxable year. A non-U.S. corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income is passive income, defined as income from interest, dividends, rents, royalties, gains on property producing foreign personal holding company income and certain other income that does not involve the active conduct of a trade or business; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”).

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

We must make a separate determination each year as to whether we are a PFIC. As a result, our PFIC status may change. In particular, because the value of our assets for purposes of the asset test will generally be determined based on the market price of our Ordinary Shares, our PFIC status will depend in large part on the market price of our Ordinary Shares. Accordingly, fluctuations in the market price of the Ordinary Shares may cause us to become a PFIC. If we are a PFIC for any year during which you hold Ordinary Shares, we will continue to be treated as a PFIC for all succeeding years during which you hold Ordinary Shares. However, if we cease to be a PFIC, you may avoid some of the adverse effects of the PFIC regime by making a “deemed sale” election with respect to the Ordinary Shares.

If we are a PFIC for any taxable year during which you hold Ordinary Shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Ordinary Shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Ordinary Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Ordinary Shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Ordinary Shares cannot be treated as capital, even if you hold the Ordinary Shares as capital assets.

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for the Ordinary Shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the Ordinary Shares as of the close of your taxable year over your adjusted basis in such Ordinary Shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the Ordinary Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Ordinary Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Ordinary Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the Ordinary Shares, as well as to any loss realized on the actual sale or disposition of the Ordinary Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Ordinary Shares. Your basis in the Ordinary Shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed above under “Taxation of Dividends and Other Distributions on our Ordinary Shares” generally would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations), including The Nasdaq Capital Market. If the Ordinary Shares are regularly traded on The Nasdaq Capital Market and if you are a holder of Ordinary Shares, the mark-to-market election would be available to you were we to be or become a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder’s pro rata share of the corporation’s earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We do not currently intend to prepare or provide the information that would enable you to make a qualified electing fund election. If you hold Ordinary Shares in any year in which we are a PFIC, you will be required to file U.S. Internal Revenue Service Form 8621 regarding distributions received on the Ordinary Shares and any gain realized on the disposition of the Ordinary Shares.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in our Ordinary Shares and the elections discussed above.

### **Information Reporting and Backup Withholding**

Dividend payments with respect to our Ordinary Shares and proceeds from the sale, exchange or redemption of our Ordinary Shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding at a current rate of 28%. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on U.S. Internal Revenue Service Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information.

Under the Hiring Incentives to Restore Employment Act of 2010, certain United States Holders are required to report information relating to Ordinary Shares, subject to certain exceptions (including an exception for Ordinary Shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold Ordinary Shares. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

### **F. Dividends and paying agents**

Not applicable for annual reports on Form 20-F.

### **G. Statement by experts**

Not applicable for annual reports on Form 20-F.

### **H. Documents on display**

We are subject to the information requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the SEC. You may read and copy any materials filed with the SEC at the Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at <http://www.sec.gov> that contains reports and other information regarding registrants that file electronically with the SEC.

### **I. Subsidiary Information**

Not applicable.

## **ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As of the latest fiscal year ended December 31, 2018, we had immaterial derivative financial instruments (open FX positions with a total fair value of \$0) and did not have any derivative commodity instruments. Our other financial instruments, including cash and cash equivalents, transaction monetary assets held for clients, net accounts receivable, prepaid expenses and other current assets, accounts payable, deposits payable, accrued expenses and other current liabilities, advance from customers, and income tax payable, are exposed to certain market risk such as foreign currency risk and interest rate risk. Our overall risk management program focuses on preservation of capital and the unpredictability of financial markets and has sought to minimize potential adverse effects on our financial performance and position. Our other financial instruments primarily include cash and cash equivalents, accounts receivable and accounts payable for whose carrying values approximate to their fair value due to the short term nature of these balances. Therefore, we do not expect our other financial instruments to be exposed to material impacts from market risk. However, we have still summarized the relevant market risk and its potential impacts to our other financial instruments as below:

### **Foreign Currency Exchange Risk**

While our reporting currency is the U.S. Dollar, some of our consolidated financial liability instruments are in the functional currency of RMB. As a result, we are exposed to foreign exchange risk as our results of operations may be affected by fluctuations in the exchange rate between the U.S. Dollar and the RMB. If the RMB depreciates against the U.S. Dollar, the value of our RMB liabilities as expressed in our U.S. Dollar financial statements will decline. Assets and liabilities are translated at exchange rates at the balance sheet dates and revenue and expenses are translated at the average exchange rates and shareholders' equity is translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income but are included in determining other comprehensive income, a component of shareholders' equity. We have not entered into any hedging transactions in an effort to reduce our exposure to foreign exchange risk.

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions. Since July 2005, the RMB has not been pegged to the U.S. dollar and, although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar or the Euro in the medium to long term. Moreover, it is possible that in the future, PRC authorities may lift restrictions on fluctuations in RMB exchange rate and lessen intervention in the foreign exchange market. Although the RMB strengthened against the U.S. dollar over the last five years, the RMB's significant weakening against the U.S. dollar since July 2015 has largely undone such prior increases.

We estimated that as of December 31, 2018, a 10% appreciation/depreciation in RMB against the U.S. dollar would have resulted in an increase/decrease of \$284,923 (2017: \$866,873) to our financial liabilities denominated in RMB and would have resulted in a corresponding decrease/increase in our consolidated comprehensive income. As of December 31, 2018 and 2017, our financial assets denominated in RMB were material and therefore may be subject to material market risk.

### **Interest Rate Risk**

The company's exposure to changes in market interest rates, related primarily to the Company's earned interest income on cash deposits in financial institutions. The Company maintains a balance between the liquidity of cash assets and the interest rate return thereon. The carrying amount of financial assets, net of any provisions of losses, represents the Company's maximum exposure to credit risk.

As of December 31, 2018, we had cash and cash equivalents of \$0. These cash and cash equivalents did not earn significant interest income due to low saving interest rates and therefore were not subject to material market risk. Should an immediate change to these interest rates by 100-basis points, it would have resulted in a change in market value of \$0 to these cash and cash equivalents.

As of December 31, 2018, we had cash and cash equivalents of \$7,865,345. These cash and cash equivalents did not earn significant interest income due to low saving interest rates and therefore were not subject to material market risk. Should an immediate change to these interest rates by 100-basis points, it would have resulted in a change in market value of \$76,967 to these cash and cash equivalents.

As of December 31, 2018, we had a note payable from a related party. The balance of this note payable was \$7,865,345 and interest free. The term of this loan is 78,653. As this loan is interest free, it is not subject to interest rate risk. We do not have any long-term loans or other long-term borrowings as of December 31, 2018.

## **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

With the exception of Items 12.D.3 and 12.D.4, this Item 12 is not applicable for annual reports on Form 20-F. As to Items 12.D.3 and 12.D.4, this Item 12 is not applicable, as the Company does not have any American Depositary Shares.

## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

We do not have any material defaults in the payment of principal, interest, or any installments under a sinking or purchase fund.

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

#### Material Modifications to the Rights of Security Holders

There have been no material modifications to the rights of our security holders.

#### Use of Proceeds

On April 13, 2018, we completed our initial public offering of 1,306,055 of our Class A ordinary shares, at an initial offering price of \$5.00 per share. Network 1 Financial Securities, Inc. acted as our underwriter.

As of May 15, 2019, we have received gross proceeds approximately \$6,503,275 from our initial public offering. Except for our expenses relating to our IPO, we have used the proceeds in marketing, software development and acquisition of other companies.

### ITEM 15. CONTROLS AND PROCEDURES

#### (a) Evaluation of Disclosure Controls and Procedures.

As of December 31, 2018, the end of the fiscal year covered by this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2018, our disclosure controls and procedures were effective.

#### (b) Management's annual report on internal control over financial reporting.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. We assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. In making its assessment, management used the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "2013 COSO Framework"). The 2013 COSO Framework outlines the 17 underlying principles and the following fundamental components of a company's internal control: (i) control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2018.

#### (c) Attestation report of the registered public accounting firm.

Not applicable.

#### (d) Changes in internal control over financial reporting.

There have been no changes in our internal controls over financial reporting occurred during the twelve months ended December 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 15T. CONTROLS AND PROCEDURES**

Not applicable.

**ITEM 16. [RESERVED]****ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

The Company's board of directors has determined that Fangjie Wang qualifies as an "audit committee financial expert" in accordance with applicable Nasdaq Capital Market standards. The Company's board of directors has also determined that members of the Audit Committee are all "independent" in accordance with the applicable Nasdaq Capital Market standards.

**ITEM 16B. CODE OF ETHICS**

The Company has adopted a Code of Business Conduct and Ethics that applies to the Company's directors, officers, employees and advisors. The Code of Business Conduct and Ethics is attached as an exhibit to this annual report. Copy of the Code of Business Conduct and Ethics is also available on our website at [www.agmgroupp.com](http://www.agmgroupp.com).

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

MaloneBailey, LLP was appointed by the Company to serve as its independent registered public accounting firm for fiscal years ended December 31, 2017, and 2016. JLKZ CPA LLP was appointed by the Company to serve as its independent registered public accounting firm for fiscal years ended December 31, 2018. Audit services provided by MaloneBailey, LLP for fiscal years ended December 31, 2017 and 2016 and by JLKZ CPA LLP for fiscal year ended December 31, 2018 included the examination of the consolidated financial statements of the Company; and services related to periodic filings made with the SEC.

**Fees Paid To Independent Registered Public Accounting Firm***Audit Fees*

MaloneBailey, LLP's fee for the annual audit and the period review of our financial statements for the fiscal years ended December 31, 2017 and period ended June 30, 2018 was \$90,000.

JLKZ CPA LLP's fee for the annual audit of our financial statements for the fiscal year ended December 31, 2018 was \$125,000.

*Audit-Related Fees*

The Company has not paid MaloneBailey, LLP for audit-related services for the fiscal year ended December 31, 2017.

The Company has not paid JLKZ CPA LLP for audit-related services for the fiscal year ended December 31, 2018.

*Tax Fees*

The Company has not paid MaloneBailey, LLP for tax services for the fiscal year ended December 31, 2017.

The Company has not paid JLKZ CPA LLP for tax services for the fiscal year ended December 31, 2018.

*All Other Fees*

The Company has not paid MaloneBailey, LLP for any other services in fiscal year ended December 31, 2017.

The Company has not paid JLKZ CPA LLP for any other services in fiscal year ended December 31, 2018.

### ***Audit Committee Pre-Approval Policies***

Before JLKZ CPA LLP was engaged by the Company to render audit or non-audit services, the engagement was approved by the Company's audit committee. All services rendered by JLKZ CPA LLP have been so approved.

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

Not applicable.

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

Neither the Company nor any affiliated purchaser has purchased any shares or other units of any class of the Company's equity securities registered by the Company pursuant to Section 12 of the Securities Exchange Act during the fiscal year ended December 31, 2018.

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

On March 20, 2019, we dismissed its independent registered public accounting firm, MaloneBailey, LLP ("MaloneBailey").

The report of MaloneBailey on the financial statements of the Company for the fiscal years ended December 31, 2017 and 2016, and the related statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for the fiscal years ended December 31, 2017 and 2016 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

The decision to change the independent registered public accounting firm was recommended and approved by the Audit Committee and Board of Directors of the Company.

During our most recent fiscal year ended December 31, 2018 and through March 20, 2019, the date of dismissal, (a) there were no disagreements with MaloneBailey on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of MaloneBailey, would have caused it to make reference thereto in its reports on the financial statements for such years and (b) there were no "reportable events" as described in Item 304(a)(1)(v) of Regulation S-K.

On March 28, 2019, the Audit Committee and the Board of Directors of the Company ratified the appointment of JLKZ CPA LLP ("JLKZ") as its new independent registered public accounting firm to audit and review the Company's financial statements. During the two most recent fiscal years ended December 31, 2018 and December 31, 2017 and any subsequent interim periods through the date hereof prior to the engagement of JLKZ, neither the Company, nor someone on its behalf, has consulted JLKZ regarding:

- (i) either: the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and either a written report was provided to the Company or oral advice was provided that the new independent registered public accounting firm concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or
- (ii) any matter that was either the subject of a disagreement as defined in paragraph 304(a)(1)(iv) of Regulation S-K or a reportable event as described in paragraph 304(a)(1)(v) of Regulation S-K.

## ITEM 16G. CORPORATE GOVERNANCE

The business and affairs of the company are managed under the direction of our Board. We have conducted Board meetings regularly since inception. Each of our directors has attended all meetings either in person, via telephone conference, or through written consent for special meetings. In addition to the contact information in this annual report, the Board has adopted procedures for communication with the officers and directors on September 15, 2017. Stockholders will be given specific information on how he/she can direct communications to the officers and directors of the Company at our annual stockholders' meetings. All communications from stockholders are relayed to the members of the Board.

### Board Committees

We have established and adopted charters for three standing committees under the board: the Audit Committee, the Compensation Committee, the Nominating Committee. Each Committee consists of only independent directors of the Company.

- **Audit Committee:** Fangjie Wang (Chair), Tingfu Xie, Jialin Liu
- **Compensation Committee:** Jialin Liu (Chair), Tingfu Xie, Fangjie Wang
- **Nominating Committee:** Tingfu Xie (Chair), Fangjie Wang, Jialin Liu

The Board also adopted an insider trading policy that allows insiders to sell securities of the Company pursuant to pre-arranged trading plans.

Effective October 23, 2000, the Securities and Exchange Commission (the "SEC") adopted rules related to insider trading. One of these rules, Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, provides an exemption to the insider trading rules in the form of an affirmative defense. Rule 10b5-1 recognizes the creation of formal programs under which executives and other insiders may sell the securities of publicly traded companies on a regular basis pursuant to written plans that are entered into at a time when the plan participants are not aware of material non-public information and that otherwise comply with the requirements of Rule 10b5-1.

### Audit Committee

Our Audit Committee consisted of Ms. Fangjie Wang, Mr. Jialin Liu and Mr. Tingfu Xie. Ms. Fangjie Wang is the chairman of our audit committee. We have determined that Ms. Fangjie Wang, Mr. Jialin Liu and Mr. Tingfu Xie satisfy the "independence" requirements of NASDAQ Rule 5605 and Rule 10A-3 under the Securities Exchange Act of 1934. Our board of directors has determined that Ms. Wang qualifies as an audit committee financial expert and has the accounting or financial management expertise as required under Item 407(d)(5)(ii) and (iii) of Regulation S-K. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.



### **Compensation Committee**

Our compensation committee consists of Mr. Jialin Liu, Ms. Fangjie Wang and Mr. Tingfu Xie. Mr. Jialin Liu is the chairman of our compensation committee. We have determined that Mr. Jialin Liu, Ms. Fangjie Wang and Mr. Tingfu Xie satisfy the “independence” requirements under NASDAQ Rule 5605. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person’s independence from management.

### **Nominating Committee**

Our nominating committee consists of Mr. Tingfu Xie, Ms. Fangjie Wang and Mr. Jialin Liu. Mr. Tingfu Xie is the chairperson of our nominating committee. We have determined that Mr. Tingfu Xie, Ms. Fangjie Wang and Mr. Jialin Liu satisfy the “independence” requirements under NASDAQ Rule 5605. The nominating committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Copy of our committee charters are also available on our website at [www.agmgroupp.com](http://www.agmgroupp.com).

### **ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

## PART III

### ITEM 17. FINANCIAL STATEMENTS

See Item 18.

### ITEM 18. FINANCIAL STATEMENTS

Our consolidated financial statements are included at the end of this annual report, beginning with page F-1.

### ITEM 19. EXHIBITS

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
1.1 <sup>(1)</sup>	<a href="#">Previous Memorandum and Articles of Association of AGM Group Holdings Inc.</a>
1.2 <sup>(1)</sup>	<a href="#">Amended and Restated Memorandum and Articles of Association of AGM Group Holdings Inc.</a>
1.3 <sup>(3)</sup>	<a href="#">International Financial Services Commission License to AGM Group LTD.</a>
3.1*	<a href="#">List of Subsidiaries of the Registrant</a>
10.1 <sup>(7)</sup>	<a href="#">Employment Agreement with Fangjie Wang</a>
10.2 <sup>(5)</sup>	<a href="#">Employment Agreement with Jialin Liu</a>
10.3 <sup>(5)</sup>	<a href="#">Employment Agreement with Tingfu Xie</a>
10.4 <sup>(5)</sup>	<a href="#">Employment Agreement with Zhentao Jiang</a>
10.5 <sup>(5)</sup>	<a href="#">Employment Agreement with Wenjie Tang</a>
10.6 <sup>(5)</sup>	<a href="#">Employment Agreement with Yufeng Mi</a>
10.7 <sup>(5)</sup>	<a href="#">Employment Agreement with Chengchun Zhang</a>
10.8 <sup>(5)</sup>	<a href="#">Employment Agreement with Guofu Zhang</a>
10.9 <sup>(5)</sup>	<a href="#">Independent Contractor Agreement between AGM Group Holdings Inc. and Aventech Capital Inc.</a>
10.10 <sup>(2)</sup>	<a href="#">Advance Agreement between AGM Group Holdings Inc. and Zhengtao Jiang dated July 3, 2016</a>
10.11 <sup>(2)</sup>	<a href="#">Advance Agreement between Beijing AnGaoMeng Technology Service Co., Ltd. and Zhengtao Jiang dated January 1, 2016</a>
10.12 <sup>(2)</sup>	<a href="#">Advance Agreement between Shenzhen AnGaoMeng Financial Technology Service Co., Ltd. and Zhengtao Jiang dated July 3, 2016</a>
10.13 <sup>(2)</sup>	<a href="#">Advance Agreement between Beijing AnGaoMeng Technology Service Co., Ltd. and Wenjie Tang dated January 1, 2017</a>
10.14 <sup>(6)</sup>	<a href="#">Equity Transfer Agreement and Zhentao Jiang and Chenxi Shi dated November 18, 2016</a>
10.15 <sup>(2)</sup>	<a href="#">MT4 License Agreement between AGM Group Holdings Inc. and MetaQuotes Software Corp.</a>
10.16 <sup>(2)</sup>	<a href="#">MT5 License Agreement between AGM Group Holdings Inc. and MetaQuotes Software Corp.</a>
10.17 <sup>(8)</sup>	<a href="#">MT4 MT5 Software Platform Maintenance and Technology License Agreement between AGM Technology Limited and Yuenyu Industry Technology Co. Limited</a>

Exhibit No.	Description of Exhibit
10.18 <sup>(8)</sup>	<a href="#">Form MT4 MT5 Software Platform Maintenance and Technology License Agreement</a>
10.19 <sup>(9)</sup>	<a href="#">English translation of Equity Acquisition Agreement between AGM Technology Limited, SIFT Capital Partners Limited, and its shareholders, dated May 24, 2018</a>
10.20 <sup>(9)</sup>	<a href="#">English translation of Equity Acquisition Agreement between AGM Group Holdings Inc. and Alpha Growth Management Co., Ltd., dated May 25, 2018</a>
10.20 <sup>(10)</sup>	<a href="#">English Translation of the Investment Agreement between AnGaoMeng Technology Service Co., Ltd., Guochuang Shenzhen Investment Co. Ltd., and its shareholders, dated August 8, 2018</a>
10.20 <sup>(11)</sup>	<a href="#">Equity Acquisition Agreement by and among Zhentao Jiang, AGM Group Holdings Inc., and AGM Group Ltd., dated September 5, 2018</a>
11.1 <sup>(4)</sup>	<a href="#">Code of Business Conduct and Ethics</a>
12.1*	<a href="#">Certification of Chief Executive Officer Required by Rule 13a-14(a)</a>
12.2*	<a href="#">Certification of Chief Financial Officer Required by Rule 13a-14(a)</a>
13.1**	<a href="#">Certification of Chief Executive Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code</a>
13.2**	<a href="#">Certification of Chief Financial Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code</a>
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

- (1) Incorporated by reference to the Form F-1 filed with the SEC on May 15, 2017  
(2) Incorporated by reference to the Form F-1/A filed with the SEC on July 21, 2017  
(3) Incorporated by reference to the Form F-1/A filed with the SEC on August 29, 2017  
(4) Incorporated by reference to the Form F-1/A filed with the SEC on September 19, 2017  
(5) Incorporated by reference to the Form F-1/A filed with the SEC on September 28, 2017  
(6) Incorporated by reference to the Form F-1/A filed with the SEC on October 12, 2017  
(7) Incorporated by reference to the Form 6-K filed with the SEC on January 9, 2019  
(8) Incorporated by reference to the Form 20-F filed with the SEC on April 30, 2018  
(9) Incorporated by reference to the Form 6-K filed with the SEC on May 30, 2018  
(10) Incorporated by reference to the Form 6-K filed with the SEC on August 16, 2018  
(11) Incorporated by reference to the Form 6-K filed with the SEC on September 18, 2018

\* Filed with this annual report on Form 20-F

\*\* Furnished with this annual report on Form 20-F

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**AGM GROUP HOLDINGS INC.**

By: /s/ Wenjie Tang

Name: Wenjie Tang

Title: Chief Executive Officer

(Principal Executive Officer)

Date: May 15, 2019

AGM GROUP HOLDINGS INC.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To: The Board of Directors and Stockholders of  
AGM Group Holdings Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of AGM Group Holdings, Inc. and subsidiaries (collectively, the “Company”) as of December 31, 2018, and the related consolidated statement of operations, stockholders’ equity, and cash flow for each of the year ended December 31, 2018, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of its operations and its cash flow for each of the year ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

### Explanatory Paragraph Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company had incurred substantial losses during the year, which raises substantial doubt about its ability to continue as a going concern. Management’s plan in regards to these matters are described in Note 3. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

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

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

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

/s/ JLKZ CPA LLP

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JLKZ CPA LLP

Flushing, New York

May 15, 2019

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of  
AGM Group Holdings Inc. and Subsidiaries

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheet of AGM Group Holdings Inc. and Subsidiaries (collectively, the “Company”) as of December 31, 2017, and the related consolidated statements of operations and comprehensive income (loss), shareholders’ equity (deficit), and cash flows for the years ended December 31, 2017 and 2016. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of their operations and their cash flows for the years ended December 31, 2017 and 2016, in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

The 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 audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

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

*/s/ MaloneBailey, LLP*

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www.malonebailey.com

We have served as the Company’s auditor since 2017.

Houston, Texas

April 30, 2018

**AGM GROUP HOLDINGS INC.  
CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,865,345	\$ 4,628,392
Accounts receivable, net	-	411,070
Accounts receivable - related party	-	172,237
Prepaid expenses and other current assets	532,289	398,536
Assets of discontinued operations	-	15,932,083
Total current assets	<u>8,397,634</u>	<u>21,542,318</u>
Investments	341,045	-
Property and equipment, net	97,933	99,630
Intangible assets, net	13,073	3,104,128
<b>Total assets</b>	<b><u>\$ 8,849,685</u></b>	<b><u>\$ 24,746,076</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	\$ 79,650	\$ 12,963
Accrued expenses and other payables	1,703,134	1,029,149
Income tax payable	-	5,306
Due to related parties	1,347,981	60,851
Notes payable - related parties	-	1,301,534
Liabilities of discontinued operations	-	14,218,356
Total current liabilities	<u>3,130,765</u>	<u>16,628,159</u>
<b>Total liabilities</b>	<b><u>3,130,765</u></b>	<b><u>16,628,159</u></b>
<b>SHAREHOLDERS' EQUITY:</b>		
Class A Ordinary Shares (200,000,000 shares authorized with par value of \$0.001, 21,316,055 and 20,010,000 shares issued and outstanding as of December 31, 2018 and 2017, respectively)	21,316	20,010
Class B Ordinary Shares (200,000,000 shares authorized with par value of \$0.001, 11,910,000 and 11,910,000 shares issued and outstanding as of December 31, 2018 and 2017, respectively)	11,900	11,900
Additional paid-in capital	7,695,605	1,968,100
Retained earnings	(2,313,312)	6,099,419
Accumulated other comprehensive income	303,411	18,488
Total shareholders' equity	<u>5,718,920</u>	<u>8,117,917</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>\$ 8,849,685</u></b>	<b><u>\$ 24,746,076</u></b>

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



**AGM GROUP HOLDINGS INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

	<b>For the Years Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>			
Service revenues	\$ 3,871,812	\$ 10,256,905	\$ 4,161,907
Service revenues - related parties	1,240,708	2,170,838	2,720,936
<b>Total Revenues</b>	<b>5,112,520</b>	<b>12,427,743</b>	<b>6,882,843</b>
<b>Cost of Revenues</b>			
Cost of revenues	1,653,028	3,348,681	2,300,572
<b>Total cost of revenues</b>	<b>1,653,028</b>	<b>3,348,681</b>	<b>2,300,572</b>
<b>Gross profit</b>	<b>3,459,492</b>	<b>9,079,062</b>	<b>4,582,271</b>
<b>Operating expenses</b>			
Selling, general & administrative expenses	3,876,872	2,931,469	1,842,079
Research and development expenses	1,028,249	398,188	289,487
Bad debt expenses	923,217	35,000	-
<b>Total operating expenses</b>	<b>5,828,338</b>	<b>3,364,657</b>	<b>2,131,566</b>
<b>(Loss) income from operations</b>	<b>(2,368,846)</b>	<b>5,714,405</b>	<b>2,450,705</b>
<b>Other income (expenses)</b>			
Other income	534,246	19,358	599
Other expense	(511,908)	(13,336)	(2,351)
Loss on equity method investment	(35,174)	-	-
<b>Total other (expense) income</b>	<b>(12,836)</b>	<b>6,022</b>	<b>(1,752)</b>
<b>(Loss) income from continued operations before provision of income taxes</b>	<b>(2,381,682)</b>	<b>5,720,427</b>	<b>2,448,953</b>
Provision for income taxes	(595,421)	1,300,894	783,382
<b>Net (loss) income from continued operation</b>	<b>(1,786,261)</b>	<b>4,419,533</b>	<b>1,665,571</b>
<b>Discontinued operation</b>			
(Loss) gain from discontinued operation, net of income tax	(11,698,538)	(519,642)	684,577
Gain from disposal	5,072,068	-	-
<b>Loss from discontinued operation, net of income tax</b>	<b>(6,626,470)</b>	<b>(519,642)</b>	<b>684,577</b>
<b>Net (loss) income</b>	<b>\$ (8,412,731)</b>	<b>\$ 3,899,891</b>	<b>\$ 2,350,148</b>
<b>Comprehensive income</b>			
Net (loss) income	\$ (8,412,731)	\$ 3,899,891	\$ 2,350,148
Other comprehensive income			
Foreign currency translation adjustment	284,923	(29,664)	41,953
<b>Total comprehensive income</b>	<b>\$ (8,127,808)</b>	<b>\$ 3,870,227</b>	<b>\$ 2,392,101</b>
<b>Earnings per common share</b>			
Continuing operations - Basic and Diluted	\$ (0.09)	\$ 0.22	\$ 9.55
Discontinued operations - Basic and Diluted	(0.31)	(0.03)	3.93
<b>Net (loss) income per common share - basic and diluted</b>	<b>\$ (0.41)</b>	<b>\$ 0.19</b>	<b>\$ 13.48</b>
<b>Weighted average common shares outstanding</b>			
Basic	20,951,074	20,010,000	174,384
Diluted	20,951,074	20,010,000	174,384

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

**AGM Group Holdings Inc.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

	Number of Class A Ordinary Shares	Number of Class B Ordinary Shares	Class A Ordinary Share	Class B Ordinary Share	Additional paid-in capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
<b>Balance, December 31, 2015</b>	10,000	-	\$ 10	\$ -	-	(150,620)	\$ 6,199	\$ (144,411)
Net income						2,350,148		2,350,148
Issuance of common stock for cash	20,000,000	11,900,000	20,000	11,900	1,968,100			2,000,000
Foreign currency translation adjustment							41,953	41,953
<b>Balance, December 31, 2016</b>	20,010,000	11,900,000	\$ 20,010	\$ 11,900	\$ 1,968,100	\$ 2,199,528	\$ 48,152	\$ 4,247,690
Net income	-		-			3,899,891	-	3,899,891
Foreign currency translation adjustment	-		-				(29,664)	(29,664)
<b>Balance, December 31, 2017</b>	20,010,000	11,900,000	\$ 20,010	\$ 11,900	\$ 1,968,100	\$ 6,099,419	\$ 18,488	\$ 8,117,917
Net income						(8,412,731)		(8,412,731)
Issuance of common stock for cash	1,306,055		1,306		5,727,505			5,728,811
Foreign currency translation adjustment				-	-		284,923	284,923
<b>Balance, December 31, 2018</b>	21,316,055	11,900,000	\$ 21,316	\$ 11,900	\$ 7,695,605	\$ (2,313,312)	\$ 303,411	\$ 5,718,920

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

**AGM GROUP HOLDINGS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Years Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>			
Net (loss) income	\$ (8,412,731)	\$ 3,899,891	\$ 2,350,148
Net (loss) income from discontinued operations, net of tax	(6,626,470)	(519,642)	684,577
Net (loss) income from continuing operations	(1,786,261)	4,419,533	1,665,571
Adjustment to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	382,680	246,529	25,984
Gain from disposal of subsidiary	(450,000)	-	-
Bad debt expense	923,217	35,000	-
Loss on equity method investment	35,174	-	-
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable, net	411,070	816,770	(1,262,840)
Accounts receivable - related parties	168,937	74,763	(247,000)
Prepaid expense and other current assets	(1,065,753)	(123,030)	(136,629)
Other assets, non-current	-	77,623	(78,955)
Accounts payable	66,687	(159,490)	9,658
Advance from customers	-	(201,827)	201,827
Accrued expenses and other payables	(761,037)	238,510	1,324,101
Income tax payable	-	5,110	-
<b>Net cash (used in) provided by operating activities from continuing operations</b>	<b>(2,075,286)</b>	<b>5,429,491</b>	<b>1,501,717</b>
<b>Net cash (used in) provided by operating activities from discontinued operations</b>	<b>(757,948)</b>	<b>1,134,056</b>	<b>110,788</b>
<b>Net cash (used in) provide by operating activities</b>	<b>(2,833,234)</b>	<b>6,563,547</b>	<b>1,612,505</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(57,506)	(44,308)	(55,703)
Purchase of intangible assets	-	(1,359,382)	(1,731,146)
Acquisition of investment	(377,952)	-	-
<b>Net cash used in investing activities from continuing operations</b>	<b>(435,458)</b>	<b>(1,403,690)</b>	<b>(1,786,849)</b>
<b>Net cash used in investing activities from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash used in investing activities</b>	<b>(435,458)</b>	<b>(1,403,690)</b>	<b>(1,786,849)</b>
<b>Cash flows from financing activities</b>			
Common shares issued for cash	5,728,811	1,170,000	830,000
Proceeds from related parties	9,293,654	4,032,044	3,766,201
Repayments to related parties	(8,959,411)	(6,699,036)	(195,228)
<b>Net cash provided by (used in) financing activities from continuing operations</b>	<b>6,063,054</b>	<b>(1,496,992)</b>	<b>4,400,973</b>
<b>Net cash used in financing activities from discontinued operations</b>	<b>-</b>	<b>(127,195)</b>	<b>-</b>
<b>Net cash provided by (used in) financing activities</b>	<b>6,063,054</b>	<b>(1,624,187)</b>	<b>4,400,973</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>442,591</b>	<b>(63,208)</b>	<b>(11,381)</b>
Net change in cash and cash equivalents	3,236,953	3,472,462	4,215,248
<b>Cash and cash equivalents, beginning of the year</b>	<b>4,628,392</b>	<b>4,224,237</b>	<b>8,989</b>
<b>Cash and cash equivalents, end of the year</b>	<b>7,865,345</b>	<b>7,696,699</b>	<b>4,224,237</b>
<b>Less cash and cash equivalents of discontinued operations—end of period</b>	<b>-</b>	<b>3,068,307</b>	<b>2,577,983</b>
<b>Cash and cash equivalents of continuing operations—end of period</b>	<b>\$ 7,865,345</b>	<b>\$ 4,628,392</b>	<b>\$ 1,646,254</b>
<b>Supplemental cash flow information</b>			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -
<b>Non-cash investing and financing activities</b>			
Common stock issued on credit	\$ 419,645	\$ -	\$ 1,170,000
Expense paid by related party	\$ -	\$ 142,085	\$ 352,301

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

**AGM GROUP HOLDINGS INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - ORGANIZATION AND PRINCIPAL ACTIVITIES**

AGM Group Holdings Inc. (“AGM Holdings”) was incorporated on April 27, 2015 under the laws of the British Virgin Islands. AGM Holdings is a holding company and do not own any material assets or liabilities other than holding equity interest of multiple entities and certain cash and cash equivalents.

On May 21, 2015, AGM Holdings incorporated a wholly owned subsidiary, AGM Technology Limited (“AGM HK”) in Hong Kong. AGM HK provides advanced online trading service for financial institutions in Asian areas.

On August 28, 2015, AGM Holdings incorporated AGM Group Ltd (“AGM Belize”), a Belize limited liability company. Prior to September 5, 2018, AGM Belize as a subsidiary of AGM Holdings engaged in forex trading brokerage service with a license provided by the International Financial Services Commission of Belize (“IFSC”). On September 5, 2018, AGM Holdings sold 90% equity of AMG Belize to Mr. Zhentao Jiang, a related party, for a sales price of \$450,000 (see Note 3).

On October 13, 2015, AGM HK incorporated a Chinese limited liability subsidiary, Shenzhen AnGaoMeng Financial Technology Service Co., Ltd. (“AGM Shenzhen”), for the purpose of being a holding company for the equity interests in People’s Republic of China (“PRC”).

On November 13, 2015 and September 28, 2016, AGM Shenzhen incorporated two wholly owned Chinese limited liability subsidiaries, Beijing AnGaoMeng Technology Service Co., Ltd. (“AGM Beijing”), and Nanjing XingaoMeng Software Technology Co., Ltd. (AGM Nanjing”), respectively. AGM Shenzhen did not conduct any operations or own any material assets or liabilities except cash and cash equivalents, while holding 100% of the equity interests in AGM Beijing and AGM Nanjing. AGM Beijing principal activities include (i) Online Trading and Computer Support Service and (ii) Program trading application technology and management service. AGM Nanjing principal activities include (i) software design, technology transfer, technology consulting, technology promotion and (ii) data processing.

On June 14, 2017, AGM Software Service LTD (“AGM Software”) was incorporated under the laws of BVI. AGM Software is a wholly-owned subsidiary of AGM Holdings and its principal activity will be assisting AGM HK in providing our core technology services to customers.

On July 18, 2017, AGMTrade UK LTD (“AGM UK”) was incorporated under the law of England and Wales. AGM UK is a wholly-owned subsidiary of AGM Holdings and its principal activity is advertising on a global scale, and providing core technology services and consulting services to customers.

On July 25, 2017, AGM Trade Global PTY LTD (“AGM Australia”) was incorporated under the law of Australia. AGM Australia is a wholly-owned subsidiary of AGM Holdings. It was formed with the vision to expand our service to customers located in Australia.

On August 14, 2017, AGMClub Service Limited (“AGMClub”) was incorporated under the law of Hong Kong. AGMClub is a wholly-owned subsidiary of AGM Holdings and its primary activity is to provide online marketing on a global scale, especially the greater China area.

On May 24, 2018, AGM Holdings completed the acquisition of 100% of the equity of AGM Global Asset Management Limited (“AGM Global”), under the law of Cayman Islands. AGM Global is a wholly-owned subsidiary of AGM Holdings and its primary activity is to provide online marketing on a global scale, especially the greater China area. The purchase price was \$22,635.

As a result, AGM HK, AGM Belize, AGM Shenzhen, AGM Beijing, AGM Nanjing, AGM Software, AMG UK, AGM Australia, AGMClub, and AGM Global are referred to as subsidiaries. AGM Holdings and its consolidated subsidiaries are collectively referred to herein as the “Company”, “we” and “us”, unless specific reference is made to an entity.

The Company is a knowledge and technology intensive company and principally engaged in two core businesses: (1) providing online trading platform application and computer program technical support and solution service (“Online Trading and Computer Support Service”); and (2) providing program trading application technology and management service. On September 5, 2018, the Company disposed its discontinued operation of forex trading brokerage service operated under AGM Belize.

## **Note 2 - SUMMARY OF SIGNIFICANT POLICIES**

### ***Basis of Presentation***

The Company is on a fiscal year ending December 31; as such the year ended December 31, 2018 is referred to as “fiscal 2018”, the year ended December 31, 2017 is referred to as “fiscal 2017”, and the year ended December 31, 2016 is referred to as “fiscal 2016”.

The accompanying consolidated financial statements are in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the U.S. Securities and Exchange Commission (“SEC”) rules. The Company included all adjustments that are necessary for the fair presentation of our financial position, results of operations, and cash flows for the periods presented. This basis of accounting differs in certain material respects from that used for the preparation of the books of account of the Company, which are prepared in accordance with the accounting principles and the relevant financial regulations applicable to enterprises with limited liabilities established in the PRC (“PRC GAAP”), the accounting standards used in the places of their domicile. The accompanying consolidated financial statements reflect necessary adjustments not recorded in the books of account of the Company to present them in conformity with U.S. GAAP.

### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts for AGM Holdings and all its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company includes the following:

- AGM Group Holdings Inc., a British Virgin Islands company limited by shares (“AGM Holdings”);
- AGM Technology Limited, a Hong Kong SAR limited company (“AGM HK”) and a wholly-owned subsidiary of AGM Holdings;
- AGM Group Ltd., a Belize limited liability company (“AGM Belize”) and formerly a wholly-owned subsidiary of AGM Holdings. It’s discontinued operation since the Company sold 90% of its equity to Mr. Zhentao, a related party, on September 5, 2018;
- Shenzhen AnGaoMeng Financial Technology Service Co., Ltd. (“AGM Shenzhen”), a wholly foreign-owned enterprise (“WFOE”) formed under the laws of the People’s Republic of China (the “PRC”) and a wholly-owned subsidiary of AGM HK;
- Beijing AnGaoMeng Technology Service Co., Ltd. (“AGM Beijing”), a PRC company and a wholly-owned subsidiary of AGM Shenzhen;
- Nanjing XinGaoMeng Software Technology Co., Ltd. (“AGM Nanjing”), a PRC company and a wholly-owned subsidiary of AGM Shenzhen;
- AGM Software Service LTD (“AGM Software”), a British Virgin Islands company limited by shares and a wholly-owned subsidiary of AGM Holdings;
- AGMTrade UK LTD (“AGM UK”), a company incorporated under the law of England and Wales, limited by shares and a wholly-owned subsidiary of AGM Holdings;

- AGM Trade Global PTY LTD (“AGM Australia”), an Australia company, limited by shares and a wholly-owned subsidiary of AGM Holdings;
- AGMClub Service Limited (“AGMClub”), a Hong Kong SAR limited company and a wholly-owned subsidiary of AGM Holdings.
- AGM Global Asset Management Limited (“AGM Global”), a Cayman limited company and a wholly-owned subsidiary of AGM Holdings.

### ***Foreign Currency Translation***

The accompanying consolidated financial statements are presented in United States dollar (“\$”), which is the reporting currency of the Company. The functional currency of AGM Holdings, AGM Belize, AGM HK, AGM Software, AGM UK, AGM Australia, AGMClub, and AGM Global are United States dollar. The functional currency of AGM Beijing, AGM Shenzhen and AGM Nanjing are Renminbi (“RMB”). For the subsidiaries whose functional currencies are RMB, results of operations and cash flows are translated at average exchange rates during the period, assets and liabilities are translated at the exchange rate at the end of the period, and equity is translated at historical exchange rates. The resulting translation adjustments are included in determining other comprehensive income or loss. Transaction gains and losses are reflected in the consolidated statements of income.

The consolidated balance sheet balances, with the exception of equity at December 31, 2018, 2017 and 2016 were translated at RMB6.8764, RMB6.5064 and RMB6.9437 to \$1.00, respectively. The equity accounts were stated at their historical rate. The average translation rates applied to consolidated statements of income and cash flows for the year ended December 31, 2018, 2017 and 2016 were RMB6.6146, RMB6.7570 and RMB6.6430 to \$1.00, respectively.

### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company bases its estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions of future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. Significant estimates and assumptions by management include, among others, useful lives and impairment of long-lived assets, allowance for doubtful accounts, and income taxes including the valuation allowance for deferred tax assets. While the Company believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from those estimates. Estimates and assumptions are periodically reviewed and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary.

### ***Cash and cash equivalents***

Cash and cash equivalents are financial assets that are either cash or highly liquid investments with an original maturity term of 90 days or less. At December 31, 2018, the Company’s cash equivalents primarily consist cash in various financial institutions.

### ***Fair Value of Financial Instruments***

ASC 825 requires the disclosure of the estimated fair value of financial instruments including those financial instruments for which fair value option was not elected.

The Company’s financial instruments mainly include cash and cash equivalents, transaction monetary assets held for clients, mark to market assets for open trading positions, net accounts receivable, prepaid expenses and other current assets, accounts payable, deposits payable, mark to market liabilities for open trading positions, accrued expenses and other current liabilities, advance from customers, and income tax payable. The carrying values of these financial instruments approximate their fair values due to short-term maturities.

### ***Accounts Receivable***

Accounts receivable consists principally of amounts due from trade customers. Credit is extended based on an evaluation of the customer's financial condition and collateral is not generally required.

The Company maintains allowances for doubtful accounts for estimated losses from the receivable amount that cannot be collected. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, a customer's historical payment history, its current credit-worthiness and current economic trends. In determining these estimates, the Company examines historical write-offs of its receivables and reviews each client's account to identify any specific customer collection issues.

### ***Cost method investment***

Investments in which the Company does not have the ability to exercise significant influence and does not have any control (generally 0-20 percent ownership), are accounted for under the cost method of accounting and are included in the long-term assets on the consolidated balance sheets. The Company evaluates its cost method investment whenever events or changes in circumstance indicate that the carrying amounts of such investment may be impaired. If a decline in the value of a cost method investment is determined to be other than temporary, a loss is recorded in the current period.

### ***Equity method investment***

Investments in which the Company has the ability to exercise significant influence, but do not control, are accounted for under the equity method of accounting and are included in the long-term assets on the consolidated balance sheets. Under this method of accounting, the Company's share of the net earnings or losses of the investee is presented below the income tax line on the consolidated statements of operations. The Company evaluates its equity method investment whenever events or changes in circumstance indicate that the carrying amounts of such investment may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in the current period.

### ***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Identifiable significant improvements are capitalized and expenditures for maintenance, repairs, and betterments, including replacement of minor items, are charged to expense.

Depreciation is computed based on cost, less the estimated residual value, if any, using the straight-line method over the estimated useful life. The residual value rate and useful life of property and equipment are summarized as follows:

<b>Category</b>	<b>Residual value rate</b>	<b>Useful life</b>
Electronic equipment	5%	3 years
Office equipment	5%	5 years

### ***Acquired Intangible Assets with Finite Lives***

Acquired intangible assets with finite lives are stated at cost less accumulated amortization. Intangible assets mainly represent the purchased software copyrights and are amortized on a straight-line basis over an estimated life of ten years.

### ***Impairment of Long-lived Assets***

In accordance with ASC Topic 360, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and carrying amount.

### ***Lease Commitments***

The Company has adopted FASB Accounting Standard Codification, or ASC 840. If the lease terms meet one or all of the following four criteria, it will be classified as a capital lease, otherwise, it is an operating lease: (1) The lease transfers the title to the lessee at the end of the term; (2) the lease contains a bargain purchase option; (3) the lease term is equal to 75% of the estimated economic life of the leased property or more; (4) the present value of the minimum lease payment in the term equals or exceeds 90% of the fair value of the leased property.

Payments made under operating leases are charged to the consolidated statements of income on a straight-line basis over the lease period.

### ***Revenue Recognition***

The Company adopted ASU 2014-09, Topic 606 on January 1, 2018, using the modified retrospective method. ASC 606 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 derived revenues through two operating lines: (i) Online Trading and Computer Support Service; and (ii) program trading application technology and management service. Prior to September 5, 2018, the Company also derived revenues by conducting forex trading brokerage business.

Revenue from Online Trading and Computer Support Service mainly consists of revenues from website maintaining and software developing focusing on database analysis and monitoring, as well as service fees for usages of online trading application based on trading volumes of the forex trading brokerage transactions, initial trading application setup fees and ongoing service support fees.

Revenue from program trading application technology and management service refers to the commission on profit or loss of client's investment managed by our intelligent trading system.

The Company record revenues from Online Trading and Computer Support Service and program trading application technology and management service as service revenues.

Revenue from forex trading brokerage business includes forex trading brokerage fees and commissions which are recorded as discontinued operations

#### ***Online Trading and Computer Support Service***

Revenue from computer program technical support and solution services is recognized when the monthly maintaining services are delivered in the case of website maintaining, or when a software module is developed in accordance with the requirements stated in sales contacts and accepted by customers in a case of software developing. In either situation, the price is predetermined in contracts, and the collectability is reasonably assured.



Revenue for usages of online trading application is recognized based on the monthly trading volumes incurred by the clients during the fiscal year. Revenue for service support is recognized ratably over the contract term beginning on the commencement of date of each contract. Revenue for initial application setup is recognized when the physical work of the initial application setup has been completed.

The agreements the Company enters into with clients to deliver online trading access application services generally include multiple deliverables, including online multiple-account trading management services, initial trading application setup and ongoing service support. Each of these deliverables has a stated price in the service agreement with the client. These three service deliverables are separated into different units of accounting and their relative selling prices are based on their stated prices in the agreements. The Company determines the relative selling prices for the three deliverables based on their stated prices in the agreement because the online multiple-account trading management services and ongoing support services, which are the last two undelivered elements, will be both delivered on a monthly basis upon the commencement of the agreement. The initial setup service is the element that will be delivered first and whose consideration is insignificant compared to the last two elements. As such, the Company has determined that whether or not a Vendor Specific Objective Price (“VSOE”) is established and used for each of the deliverable will not have material impacts to the Company revenue recognition.

#### *Program trading application technology and management service*

The revenue of program trading application technology and management service is recognized when services have been rendered and accepted, the commission is determinable based on the realized return or loss of investment under management, and collectability is reasonably assured at the month end.

The Company reports revenues net of applicable sales taxes and related surcharges.

#### ***Research and Development Expenses***

Research and development costs are expensed as incurred. The costs primarily consist of the wage expenses incurred to continuously improve and upgrade the Company’s services. Research and development expenses of the years ended December 31, 2018, 2017 and 2016 were \$993,220, \$398,188 and \$289,487, respectively.

#### ***Income Taxes***

The Company accounts for income taxes under the provision of ASC 740-10, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company evaluates its uncertain tax positions in accordance with ASC 740. The Company initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The term more likely than not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold shall consider the facts, circumstances, and information available at the reporting date. The level of evidence that is necessary and appropriate to support the Company’s assessment of the technical merits of a tax position is a matter of judgment that depends on all available information. In making the assessment, the Company considers the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes.

Tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination, including the resolution of any related appeals or litigations based on the technical merits of that position. The second step is to measure the tax benefit as the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement.

Interests and penalties related to unrecognized tax benefits are recorded in *Provision for income taxes* of the Consolidated Statements of Operations and Comprehensive Income.

### ***Comprehensive Income***

ASC 220 “Comprehensive Income” established standards for reporting and display of comprehensive income, its components and accumulated balances. Components of comprehensive income include net income and foreign currency translation adjustments. For the years ended December 31, 2018, 2017 and 2016, the only component of accumulated other comprehensive income was foreign currency translation adjustments.

### ***Related Party Transactions***

A related party is generally defined as (i) any person and or their immediate family hold 10% or more of the company’s securities (ii) the Company’s management, (iii) someone that directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company conducts business with its related parties in the ordinary course of business. Related parties may be individuals or corporate entities.

Transactions involving related parties cannot be presumed to be carried out on an arm’s-length basis, as the requisite conditions of competitive, free market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm’s-length transactions unless such representations can be substantiated. It is not, however, practical to determine the fair value of amounts due from/to related parties due to their related party nature.

### ***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentration of credit risk are cash and cash equivalents, transaction monetary assets held for clients, mark to market assets for open trading positions, and accounts receivable arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions or trading platforms. The Company routinely assesses the financial strength of the customer and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

### ***Reclassification***

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on the net earnings and financial position.

### ***Earnings per Ordinary Share***

Basic earnings per ordinary share is computed by dividing net earnings attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to ordinary shareholders by the sum of the weighted-average number of ordinary shares outstanding and dilutive potential ordinary shares during the period.

### ***Selling and Marketing***

Selling and marketing costs are related to promoting, advertising, and other marketing activities, and are expensed as incurred. For the years ended December 31, 2018, 2017 and 2016, the selling and marketing expenses were \$91,468, \$695,412 and \$0, respectively.

### ***Segment Reporting***

The Company uses the “management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company’s chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company’s reportable segments. The Company’s chief operating decision maker has been identified as the chief executive officer of the Company who reviews financial information of separate operating segments based on U.S. GAAP. The chief operating decision maker now reviews results analyzed by customer. This analysis is only presented at the revenue level with no allocation of direct or indirect costs. Consequently, the Company has determined that it has only one operating segment.

### ***Recently Issued Accounting Pronouncements***

In March 2019, the FASB issued ASU 2019-01, Leases (Topic 842) Codification Improvements, which provides clarification on implementation issues associated with adopting ASU 2016-02. The implementation issues noted in ASU 2019-01 include determining the fair value of the underlying asset by lessors that are not manufacturers or dealers, presentation on the statement of cash flows for sales-type and direct financing leases, and transition disclosures related to Topic 250, Accounting Changes and Error Corrections. We will apply the guidance, if applicable, as of January 1, 2019, the date we adopted ASU 2016-02. We are currently evaluating the impact of this ASU on our financial position, results of operations, cash flows, or presentation thereof.

In October 2018, the FASB issued ASU 2018-17, Targeted Improvements to Related Party Guidance for Variable Interest Entities, that changes the guidance for determining whether a decision-making fee paid to a decision makers and service providers are variable interests. The guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, with early adoption permitted. We will adopt this standard on its effective date of January 1, 2020. We do not expect the adoption of this ASU to have a material impact on our consolidated financial position, results of operations, cash flows, or presentation thereof.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract. ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. We will adopt this standard on its effective date of January 1, 2020. We are currently evaluating the impact of this ASU on our financial position, results of operations, cash flows, or presentation thereof.

In August 2018, the FASB issued ASU 2018-13 to modify the disclosure requirements on fair value measurements. The amendments are effective beginning after December 15, 2019. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until the effective date. Most amendments should be applied retrospectively, but certain amendments will be applied prospectively. The Company is in the process of assessing the impact of the standard on the Company’s fair value disclosures. However, the standard is not expected to have an impact on the Company’s consolidated financial position, results of operations and cash flows.

A variety of proposed or otherwise potential accounting standards are currently under study by standard setting organizations and various regulatory agencies. Due to the tentative and preliminary nature of those proposed standards, we have not determined whether implementation of such proposed standards would be material to our consolidated financial statements.

### **Note 3 – GOING CONCERN**

Substantial doubt about the Company's ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. Our current operating results indicate that substantial doubt exists related to the Company's ability to continue as a going concern. We believe that the new online trading training education platforms and upgraded online trading & computer software and supporting programs may mitigate the substantial doubt raised by our current operating results and satisfying our estimated liquidity needs 12 months from the date of the financial statements. However, we cannot predict, with certainty, the outcome of our actions to generate liquidity, including the availability of additional debt financing, or whether such actions would generate the expected liquidity as currently planned.

### **Note 4 – DISCONTINUED OPERATION**

On September 5, 2018, the Company sold 90% equity of wholly owned subsidiary AMG Belize to Mr. Zhentao Jiang (the "Buyer"), a related party, at a sales price of \$450,000 (the "Transfer Price"). Pursuant to an equity transfer agreement, the Buyer shall pay the Transfer Price in available cash to the seller's designated bank account. A 20% initial payment shall be paid by the Buyer within five working days upon the signing of the Agreement. A 30% shall be paid by the Buyer after the completion of legal and financial due diligence, and the remaining 50% shall be paid after the approval by The International Business Company Registry of Belize.

Prior to September 5, 2018, AGM Belize engaged in the forex trading brokerage service with a license provided by the International Financial Services Commission of Belize ("IFSC") under the license number IFSC/60/448/FX/17 (the "IFSC License"). It also provided its users with trading in spot precious metals and spot oil as these commodities are conventionally categorized as spot forex. The Company also operated a social trading network platform under AGMTrade, on which users were able to participate in various trading programs through brokerage services offered by AGM Belize.

In June 2018, the local government of the People's Republic of China initiated certain policy change that it would no longer support forex-trading related business in China. As a result, access to certain accounts holding of the funds deposits payable have been held in constrain by local regulators due to this policy change. The Company voluntarily ceased its forex trading brokerage business and suspended such activities on AGMTrade, a social network platform operated by other subsidiaries of the Company, as they would fall within the scope of the government initiative.

Pursuant to equity transfer agreement dated September 5, 2018, AGM Belize has ceased to be a wholly-owned subsidiaries of the Company. Additionally, the Company has ceased to provide forex trading brokerage business. As a result, the Company's current shareholders will no longer benefit from any increase in the value, nor will they bear the risk of any decrease in the value, of the forex trading brokerage business.

The Company will continue to operate its (i) Online Trading and Computer Support Service and (ii) program trading application technology and management service. In addition, the Company has been actively exploring new business lines and revenue streams through its investment in new business initiatives and potential merger and acquisition opportunities.

The Company is developing a commodity trading software to be launched in September 2019. We aim to offer to small and medium sized financial institutions in China with solutions that could enhance the efficiency of their trading systems. The Company is planning to charge subscription fee for our future trading software.

Pursuant to ASC Topic 205-20, Presentation of Financial Statements - Discontinued Operations, the results of operations for the years ended December 31, 2018 and 2017 from AGM Belize have been classified to loss from discontinued operations line on the accompanying consolidated statements of operations and comprehensive loss presented herein. The assets and liabilities also have been classified as discontinued operations in the Company's consolidated financial statements as of December 31, 2018 and 2017.

The carrying amount of the major classes of assets and liabilities of discontinued operation as of December 31, 2018 and 2017 consist of the following:

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Assets of discontinued operation:		
Current assets:		
Cash and cash equivalents	\$ -	\$ 3,068,307
Transaction monetary assets	-	12,522,240
Mark to market asset for open trading positions	-	241,336
Other receivables	-	100,200
Total assets of discontinued operation	<u>\$ -</u>	<u>\$ 15,932,083</u>
Liabilities of discontinued operation:		
Current liabilities:		
Deposition in the Margin	\$ -	\$ 12,522,240
Mark to market liability for open trading positions	-	106,502
Other payables	-	1,589,614
Total liabilities of discontinued operation	<u>\$ -</u>	<u>\$ 14,218,356</u>

The summarized operating result of discontinued operation included in the Company's consolidated statements of operation consist of the following:

	<u>Years Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 486,244	\$ 315,194	\$ 821,977
Cost of revenues	400,513	392,671	77,000
Gross profit	85,732	(77,477)	744,977
Operating expenses	(11,844,769)	(562,559)	(59,068)
Other income (expenses), net	60,499	120,394	(1,332)
Loss before income tax	(11,698,538)	(519,642)	684,577
Income tax expense	-	-	-
Loss from discontinued operation	(11,698,538)	(519,642)	684,577
Gain from disposal, net of tax	5,072,068	-	-
Total loss from discontinued operations, net of income taxes	<u>\$ (6,626,470)</u>	<u>\$ (519,642)</u>	<u>\$ 684,577</u>

The Company recognized impairment loss on intangible assets of \$2,711,535 when the Company decided to discontinue AGM Belize's operation.

The Company realized a gain of \$450,000 from the disposal of 90% equity of AGM Belize with an investment cost basis of \$0. The Company also realized a gain of \$4,172,068 resulted from 90% of liabilities being assumed by the acquirer pursuant to the equity transfer agreement. Together, the Company recognized a total gain on disposal of operation of \$5,072,068 for the year ended December 31, 2018.

The Company recognized the remaining 10% equity in AGM Belize under cost method investment.

**Note 5 - ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net, consist of the following:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Accounts receivable	\$ 923,217	\$ 446,070
Less: allowance for doubtful accounts and write-offs	(923,217)	(35,000)
Accounts receivable, net	<u>\$ -</u>	<u>\$ 411,070</u>

The changes in allowance for doubtful accounts consist of the following:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Balance, beginning of the year	\$ 35,000	\$ -
Provision for doubtful accounts	-	35,000
Uncollectible receivables written-off	888,217	-
Balance, end of the year	<u>\$ 923,217</u>	<u>\$ 35,000</u>

The Company determined write-offs all the Accounts receivables.

**Note 6 - PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consist of prepaid expenses, other receivables, and deposits. Prepaid expenses principally include rent prepayments and prepaid advertising expenses. Deposits principally include license deposit and rent deposits.

As of December 31, 2018 and 2017 prepaid expenses and other current assets consisted of the following:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Prepaid expenses	\$ 383,0053	\$ 224,941
Security deposits	43,280	159,330
Others	105,956	14,265
Total prepaid expenses and other current assets	<u>\$ 532,289</u>	<u>\$ 398,536</u>

**Note 7 – INVESTMENTS**

*Investment Valuation*

The Company continually reviews its investments to determine whether a decline in fair value below the carrying value is other than temporary. The primary factors the Company considers in its determination are the length of time that the fair value of the investment is below the Company's carrying value; the financial condition, operating performance and the prospects of the equity investee; and other company specific information such as industry data, general economic conditions, cash flows forecasts or any recent financing rounds. If the decline in fair value is deemed to be other than temporary, the carrying value of the equity investee is written down to fair value.

### Cost method of investments

On September 5, 2018, the Company sold 90% equity of wholly owned subsidiary AMG Belize to Mr. Zhentao Jiang (the “Buyer”), a related party, at a sales price of \$450,000 (the “Transfer Price”). The Company recognized the remaining 10% equity in AGM Belize under cost method investment of \$0 as its initial investment was immaterial.

The Company evaluates its cost method investments in accordance to ASC 325-20-35. Impairment charges in connection with its cost method investments were \$0 for the year ended December 31, 2018. The carrying amount of the investment was \$0 at December 31, 2018.

### Equity method of investments

On August 8, 2018, AGM Beijing entered into an investment agreement with the shareholders of Guochuang Shenzhen Investment Co. Ltd. (“Guochuang”) to invest RMB2,500,000 (approximately \$365,802 at August 8, 2018) in Guochuang’s equity, for which AGM Beijing received a 20% interest. AGM Beijing made the full payment on August 5, 2018. Guochuang was incorporated under the laws of People’s Republic of China. Yufeng Mi, Chief Technology Officer of the Company, held 40% and 32% of Guochuang’s interest before and after AGM Beijing’s investment, respectively.

Guochuang is a limited liability company with private investment fund as its main business and original registered capital of RMB10,000,000. On the date of signing the agreement, the original shareholders of Guochuang totally hold 100% equity, and their respective paid-in capital amount and shareholding ratio are as follows:

<b>Name</b>	<b>Subscribed capital contributions (RMB: Thousand)</b>	<b>Actual capital contributions (RMB: Thousand)</b>	<b>Shareholding Ratio (%)</b>
Mi Yufeng	4,000	1,000	40%
Feng Ruicong	3,000	750	30%
Wang Jingbei	3,000	750	30%
Total	10,000	2,500	100%

Pursuant to Investment Agreement, the original shareholders of Guochuang agree to the investment made by AGM Beijing in the form of subscribing RMB2,500,000 of new registered capital. Upon the completion of the proposed transaction, the registered capital of Guochuang shall be increased to RMB12,500,000, and AGM Beijing shall hold 20% registered capital of Guochuang. Upon the completion of the transaction, each shareholder’s equity in Guochuang is as follows:

<b>Name</b>	<b>Subscribed capital contributions (RMB: Thousand)</b>	<b>Actual capital contributions (RMB: Thousand)</b>	<b>Shareholding Ratio (%)</b>
Mi Yufeng	4,000	1,000	32%
Feng Ruicong	3,000	750	24%
Wang Jingbei	3,000	750	24%
AGM Beijing	2,500	2,500	20%
Total	12,500	5,000	100%

From August 8, 2018 to December 31, 2018, the Company recognized loss from Guochuang in the amount of \$35,174. At December 31, 2018, Guochuang’s assets consisted of cash, prepaid expense and other current and fixed assets of approximately \$160,000, \$34,000, \$2,000 and \$16,000, respectively, and had total liabilities of approximately \$7,000.

The Company evaluates its equity method investments in accordance to ASC 325-20-35. Impairment charges in connection with its cost method investments were \$0 for the year ended December 31, 2018. The carrying amount of the investment was \$341,045 at December 31, 2018.

**Note 8 - PROPERTY AND EQUIPMENT, NET**

As of December 31, 2018 and 2017, property and equipment, net consisted of the following:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Electronic equipment	\$ 174,444	\$ 128,857
Office equipment	15,240	13,152
Total property and equipment	189,684	142,009
Less: accumulated depreciation	(91,751)	(42,379)
Total property and equipment, net	<u>\$ 97,933</u>	<u>\$ 99,630</u>

Depreciation expenses for the fiscal years ended December 31, 2018, 2017 and 2016 were \$53,697, \$30,349 and \$10,638, respectively. There was no impairment recorded for these property and equipment for the years ended December 31, 2018, 2017 and 2016.

**Note 9 - INTANGIBLE ASSETS, NET**

As of December 31, 2018 and 2017, intangible assets, net consisted of the following:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Management Supporting System	\$ -	\$ 626,717
User Office Management Software	-	567,029
Multi Account Trading System	-	686,404
MTK Club Management System	-	534,858
MTK Multi Trading Commissions System	-	560,986
MTK Office Management System	-	353,498
AGM domain name	14,800	14,800
Total intangible assets	14,800	3,344,292
Less: accumulated amortization	(1,727)	(240,164)
Total intangible assets, net	<u>\$ 13,073</u>	<u>\$ 3,104,128</u>

For the fiscal years ended December 31, 2018, 2017 and 2016, amortization expenses amounted to \$328,983, \$216,180 and 15,346, respectively.

At December 31, 2018, 2017 and 2016, the Company conducted an impairment assessment on intangible asset based on the guidelines established in ASC 360 to determine the estimated fair market value intangible asset as of December 31, 2018, 2017 and 2016.

In September 2018, the Company has ceased to provide forex trading brokerage business. The Company determined that the carrying value exceeded the fair market value on certain intangible assets formerly used in the Company's forex trading brokerage business. Accordingly, the Company recorded impairment charges on intangible assets of \$2,711,535 as discontinued operation for the year ended December 31, 2018. The Company did not record impairment charges on intangible asset for the year at December 31, 2017 and 2016.



## Note 10 - RELATED PARTY TRANSACTIONS

Related parties of the Company consist of the following:

Name of Related Party	Nature of Relationship
Zhentao Jiang	Director and principal shareholder
Wenjie Tang	Chief Executive Officer (“CEO”), Director, and shareholder
Yufeng Mi	Chief Technical Officer (“CTO”) and shareholder
Bin Liu	Former Chief Risk Officer (“CRO”)
Guofu Zhang	Chief Financial Officer (“CFO”)
Chengchun Zhang	Chief Operational Officer (“COO”) and principal shareholder
IIG Ltd.	Company under common control of Zhentao Jiang
Firebull Holdings Limited	Company under common control of Wenjie Tang and Chengchun Zhang
Nanjing Yunxinhe Software Technology Co., Ltd.	Company formerly controlled by Zhentao Jiang and still significantly influenced by Zhentao Jiang
Anyi Network Inc.	Company where Guofu Zhang assumed a key management position
Beijing Maiteke Technology Co., Ltd.	Company where Wenjie Tang assumed a key management position
Northnew Management Limited	Company under common control of Zhentao Jiang

### *i) Revenues from related party and accounts receivable from related party*

The Company provides online trading access software application service to IIG Ltd. For the years ended December 31, 2018, 2017 and 2016, the Company generated related party revenues from IIG Ltd. in the amount of \$1,240,708, \$2,170,838 and \$2,720,936, respectively. The related party accounts receivable with IIG Ltd. amounted to \$0, \$172,237, and \$247,000 as of December 31, 2018, 2017 and 2016, respectively.

### *(ii) Subscription receivables*

Subscription receivable of \$740,000 as of December 31, 2016 represents the Company’s outstanding share subscription receivable owned from Chengchun Zhang and other managements and principal shareholder of the Company. The receivables were collected as of May 11, 2017. Refer to Note 14 for further discussion

### *iii) Acquisition of AGM Global Asset Management Ltd.*

On May 25, 2018, the Company purchased AGM Global Asset Management Ltd from a third-party entity which was owned by two related parties: Mr. Wenjie Tang, Chief Executive Officer, and Mr. Yufeng Mi, Chief Technology Officer.

On May 30, 2018, the Company’s subsidiary, AGM HK paid 50% of total purchase price of \$22,635 and the remaining balance of \$11,318 was recorded as due to related parties at December 31, 2018.

### *(iv) Notes payable – related parties and due to related parties*

The Company mainly finance its operations through proceeds borrowed from related parties. As of December 31, 2018 and 2017, notes payables - related parties and due to related parties consisted the following:

	December 31, 2018	December 31, 2017
Zhentao Jiang	\$ -	\$ -
Wenjie Tang	-	1,301,534
Total notes payable - related parties	-	1,301,534
Zhentao Jiang	1,307,264	-
Wenjie Tang	11,318	19,949
Guofu Zhang	29,399	40,902
Total due to related parties	1,347,981	60,851
<b>Total</b>	<b>\$ 1,347,981</b>	<b>\$ 1,362,385</b>

The balance of due to related parties represents expenses incurred by related parties in the ordinary course of business and expenses paid by related parties on behalf of the Company. These amounts are interest free, unsecured and repayable on demand.

For the year ended December 31, 2018, Zhentao Jiang, Guofu Zhang, Wenjie Tang and their related companies paid operating expenses on behalf of the Company of \$419,645. For the year ended December 31, 2017, Zhentao Jiang, Wenjie Tang, Guofu Zhang, and Bin Liu paid operating expenses on behalf of the Company of \$142,085.

The Company entered into an advance agreement with Wenjie Tang, allowing the Company to borrow unsecured and interest-free loans on January 1, 2017. The balances and material terms of the advance agreements are summarized below:

- The amount authorized for borrowing shall not exceed RMB15,000,000 (approximately \$2,305,000).
- The loan is interest-free and payable on December 31, 2018.
- The term of the loan is two years from January 1, 2017 to December 31, 2018.
- The balance was \$0 and \$1,301,534 as of December 31, 2018 and 2017, respectively.

The Company borrowed \$8,581,150, \$4,032,044, and \$3,766,201 from related parties in the years ended December 31, 2018, 2017 and 2016, respectively, and repaid \$6,837,611, \$6,826,231, and \$195,228 in the years ended December 31, 2018, 2017 and 2016, respectively.

As of December 31, 2018, the balance owed to Zhentao Jiang, Wenjie Tang and Guofu Zhang amounted to \$1,307,264, \$11,318 and \$29,399, respectively. As of December 31, 2017, the balance owed, to Zhentao Jiang, Wenjie Tang and Guofu Zhang amounted to \$0, \$1,321,483 and \$40,902, respectively.

#### **Note 11 - INCOME TAX**

##### *British Virgin Islands ("BVI")*

Under the current laws of BVI, AGM Holdings and AGM Software are not subject to tax on income or capital gain. In addition, payments of dividends by the Company to their shareholders are not subject to withholding tax in the BVI.

##### *Belize*

Under the current laws of Belize, AGM Belize is not subject to tax on income or capital gain. In addition, payments of dividends by the Company to their shareholders are not subject to withholding tax in the Belize.

##### *Hong Kong*

AGM HK and AGMClub are incorporated in Hong Kong and incurred net losses for the years ended December 31, 2018 and 2017. AGM HK and AGMClub are subject to tax at 16.5% on the assessable profits arising in or derived from Hong Kong or 8.25% if the net profit under \$2,000,000 for 2018 and future. Taxable operating loss incurred by companies incorporated in Hong Kong are allowed to be carried forward indefinitely.

##### *United Kingdom*

AGM UK is incorporated in United Kingdom and incurred net loss for the year ended December 31, 2018. AGM UK is subject to tax at 19% on the assessable profits arising in or derived from United Kingdom. Companies incorporated in the UK are allowed to offset their future tax taxable income with taxable operating losses carried forward in a 2-year period.

##### *Australia*

AGM Australia is incorporated in Australia and incurred net loss for the year ended December 31, 2018. AGM Australia is subject to tax at 27.5% on the assessable profits arising in or derived from Australia. Taxable operating loss incurred by companies incorporated in Australia are allowed to be carried forward indefinitely.

##### *Cayman*

Under the current laws of Cayman, AGM Global is not subject to tax on income or capital gain. In addition, payments of dividends by the Company to their shareholders are not subject to withholding tax in the BVI.

## China

On March 16, 2007, the National People's Congress passed the Enterprise Income Tax Law ("the China EIT Law"), which was effective as of January 1, 2008.

AGM Beijing, AGM Shenzhen and AGM Nanjing are incorporated in the PRC and subject to 25% China statutory tax rate. AGM Beijing, AGM Shenzhen and AGM Nanjing incurred net loss, for the year ended December 31, 2018, and AGM Beijing and AGM Shenzhen incurred net loss for the year ended December 31, 2017. Companies incorporated in the PRC are allowed to offset their future tax taxable income with taxable operating losses carried forward in a 5-year period.

The China EIT Law also provides that an enterprise established under the laws of foreign countries or regions but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purpose and consequently be subject to the PRC income tax at the rate of 25% for its worldwide income. The Implementing Rules of the China EIT Law merely defines the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located." On April 22, 2009, the PRC State Administration of Taxation further issued a notice entitled "Notice regarding Recognizing Offshore-Established Enterprises Controlled by PRC Shareholders as Resident Enterprises Based on Their place of Effective Management." Under this notice, a foreign company controlled by a PRC company or a group of PRC companies shall be deemed as a PRC resident enterprise, if (i) the senior management and the core management departments in charge of its daily operations mainly function in the PRC; (ii) its financial decisions and human resource decisions are subject to decisions or approvals of persons or institutions in the PRC; (iii) its major assets, accounting books, company sales, minutes and files of board meetings and shareholders' meetings are located or kept in the PRC; and (iv) more than half of the directors or senior management personnel with voting rights reside in the PRC. Based on a review of surrounding facts and circumstances, the Company believe that there is an uncertain tax position as to whether its operations outside of the PRC will be considered a resident enterprise for PRC tax purposes due to limited guidance and implementation history of the China EIT Law. Should the Company be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC tax on worldwide income at a uniform tax rate of 25%. The Company has evaluated this uncertain tax position and recorded a tax liability on the Consolidated Balance Sheet.

The China EIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. Such withholding income tax was exempted under the previous income tax regulations. The British Virgin Islands, where the Company is incorporated, did not have such tax treaty with China.

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

	For the Years Ended December 31,		
	2018	2017	2016
Current	\$ (595,421)	1,300,894	\$ 783,382
Deferred	-	-	-
Total	\$ (595,421)	1,300,894	\$ 783,382

The reconciliations of the statutory income tax rate and the Company's effective income tax rate are as follows:

	<b>For the Years Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
HK statutory income tax rate	16.5%	16.5%	16.5%
Valuation allowance recognized with respect to the loss in the HK company	(16.5)%	(16.5)%	(16.5)%
UK statutory income tax rate	19.0%	19.0%	-
Valuation allowance recognized with respect to the loss in the UK company	(19.0)%	(19.0)%	-
Australian statutory income tax rate	27.5%	27.5%	-
Valuation allowance recognized with respect to the loss in the Australian company	(27.5)%	(27.5)%	-
PRC statutory income tax rate	25.0%	25.0%	25.0%
Uncertain tax position	25.0%	25.0%	25.0%
Changes in valuation allowance for deferred tax asset	(25.0)%	(25.0)%	(25.0)%
Total tax rate	<u>25%</u>	<u>25%</u>	<u>25%</u>

As of December 31, 2018 and 2017, the Company's subsidiaries had cumulative net operating loss carry-forwards of approximately \$4,343,240 and \$2,858,009, respectively, and will expire beginning in the year 2019. The Management believes that the Company's cumulative losses arising from recurring business of subsidiaries constituted significant strong evidence that most of the deferred tax assets would not be realizable and this evidence outweighed the expectations that the Company would generate future taxable income. As such, deferred tax assets arise from net operating losses are subject to full valuation allowance for the year ended December 31, 2018. The valuation allowance of \$1,556,422 and \$640,504 was recorded as of December 31, 2018 and 2017.

The summary of cumulative net operating losses carried forward for the Company's subsidiaries in different regions is as follows:

	<b>For the Years Ended December 31,</b>			<b>Expiration Beginning in the Year</b>
	<b>2018</b>	<b>2017</b>	<b>2016</b>	
PRC Region	\$ 5,940,924	\$ 1,964,000	\$ 903,529	2020
HK Region	340,902	875,122	194,557	Indefinitely
UK Region	1,102	1,000	-	2019
Australia Region	53,063	17,887	-	Indefinitely
Total cumulative net operating loss carry-forward	<u>\$ 6,335,990</u>	<u>\$ 2,858,009</u>	<u>\$ 1,098,086</u>	

Components of the Company's net deferred tax assets are set forth below:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Deferred tax assets:			
Net operating loss carry-forwards	\$ 1,556,422	\$ 640,504	\$ 257,984
Total of deferred tax assets	1,556,422	640,504	275,984
Less: valuation allowance	(1,556,422)	(640,504)	(257,984)
Net deferred assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### Accounting for Uncertainty in Income Taxes

The Company and certain subsidiaries are established in various foreign countries with significant operations located in China. The Company might not be subject to PRC income tax and did not pay any income tax to PRC however it is uncertain as to whether the PRC tax authority may take different views about the Company's tax positions which may lead to additional tax liabilities.

The tax authority of the PRC Government conducts periodic and ad hoc tax filing reviews on business enterprises operating in the PRC after those enterprises complete their relevant tax filings. Therefore, the Company's PRC entities' tax filings results are subject to change. It is therefore uncertain as to whether the PRC tax authority may take different views about the Company's PRC entities' tax filings, which may lead to additional tax liabilities.

ASC 740 requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. The management evaluated the company's tax position and recognized liabilities for uncertain tax positions for the years ended December 31, 2018, 2017 and 2016, and the period from inception (April 27, 2015) to December 31, 2015. This liability is included in Accrued expenses and other current liabilities on the Consolidated Balance Sheets.

The activity of the unrecognized tax benefits related to the Company's uncertain tax positions is summarized as follows:

	<b>For the Year Ended December 31, 2018</b>	<b>For the Year Ended December 31, 2017</b>	<b>For the Year Ended December 31, 2016</b>
Gross beginning balance	\$ 2,079,166	\$ 783,382	\$ -
Gross increase to tax positions in the current period	(595,421)	1,295,784	783,382
Gross increase to tax position in the prior period	-	-	-
Gross decrease to tax position in the prior period	-	-	-
Lapse of statute limitations	-	-	-
Gross ending balance	<u>\$ 1,483,745</u>	<u>\$ 2,079,166</u>	<u>\$ 783,382</u>

There were no interests and penalties in relation to the Company uncertain tax positions for the fiscal years ended December 31, 2018, 2017 and 2016.

### Note 12 - FINANCIAL INSTRUMENTS

#### Fair values

The Company's financial instruments from continuing operations approximate include cash and cash equivalents and prepaid expenses and other current assets which approximate to fair value due to their short-term nature and include cash accounts. The Company's borrowings approximate fair value as the rates of interest are similar to what they would receive from other financial institutions. The carrying amounts of these financial assets and liabilities are a reasonable estimate of their fair values because of their current nature.

The Company's financial instruments from discontinued operations include cash and cash equivalents, transaction monetary assets held for clients, mark to market assets for open trading positions, net accounts receivable, prepaid expenses and other current assets, accounts payable, deposits payable, mark to market liabilities for open trading positions, accrued expenses and other current liabilities, advance from customers, and income tax payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The following table summarizes the carrying values of the Company's financial assets and liabilities:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Cash and cash equivalents of continuing operations	\$ 7,696,699	\$ 4,628,392
Prepaid expenses and other current assets	532,289	-
Other assets of discontinued operations	-	15,932,083
Other financial liabilities <sup>(i)</sup>	3,130,766	2,409,803
liabilities of discontinued operations	\$ -	\$ 14,218,356

- (i) Accounts payable, accrued expenses and other current liabilities, advance from customers, and income tax payable.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data.

The financial assets and liabilities carried at fair value on a recurring basis at December 31, 2018 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial Assets</b>				
Cash and cash equivalents of continuing operations	\$ 7,865,345	\$ -	\$ -	\$ 7,865,345
Cash and cash equivalents of discontinued operations	-	-	-	-
Other financial assets of continuing operations	-	-	-	-
Other financial assets of discontinued operations	-	-	-	-
<b>Total Financial assets</b>	<u>\$ 7,865,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,865,345</u>
<b>Financial Liabilities</b>				
Other liabilities of continuing operations	\$ -	\$ -	\$ -	\$ -
Other liabilities of discontinued operations	-	-	-	-
<b>Total Financial Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The financial assets and liabilities carried at fair value on a recurring basis at December 31, 2017 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial Assets</b>				
Cash and cash equivalents of continuing operations	\$ 4,628,392	\$ -	\$ -	\$ 4,628,392
Cash and cash equivalents of discontinued operations	3,068,307	-	-	3,068,307
Other financial assets of continuing operations	-	-	-	-
Other financial assets of discontinued operations	12,763,576	-	-	12,763,576
<b>Total Financial Assets</b>	<u>\$ 20,460,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,460,275</u>
<b>Financial Liabilities</b>				
Other liabilities of continuing operations	\$ -	\$ -	\$ -	\$ -
Other liabilities of discontinued operations	12,628,742	-	-	12,628,742
<b>Total Financial Liabilities</b>	<u>\$ 12,628,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,628,742</u>

*Interest rate and credit risk*

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents, transaction monetary assets held for clients, mark to market assets for open trading positions, and net accounts receivable. The Company minimizes the interest rate and credit risk of cash by placing deposits with financial institutions located in Hong Kong and Mainland China. Credit risk of cash and cash equivalents is managed by depositing cash at global or PRC state-owned or renowned financial institutions where certain government regulations are in place to protect clients' cash balances. Credit risk from transaction monetary assets held for clients and mark to market assets for open trading positions encompasses the default risk of forex trading transaction. Management believes that there is no significant credit risk arising from the Company's financial instruments.

*Financial assets past due*

The Company did not have any financial assets that are past due that are not impaired at December 31, 2018.

The following table provides information regarding the aging of financial assets that are past due, but which are not impaired at December 31, 2017:

	<u>Less than 90 days</u>	<u>90 days to 1 year</u>	<u>Over 1 year</u>	<u>Carrying Value</u>
Accounts receivable, net	\$ 411,070	\$ -	\$ -	\$ 411,070

The Company determines past due amounts by reference to terms agreed with individual clients. None of the net amounts outstanding have been challenged by the respective clients and the Company continues to conduct business with them on an ongoing basis and does not consider its current accounts receivable to be past due.

## Note 13 - COMMITMENTS AND CONTINGENCIES

### *Risk, Uncertainties, and Contingencies on Discontinued Operation*

Prior to June 2018, the Company's subsidiary AGM Group Ltd. ("AGM Belize") engaged in Forex Trading Brokerage business. The Company received total deposits of \$82,922,858 as customers' investment funds that were kept in various third-party forex trading platform accounts China and Canada.

In June 2018, the local government of the People's Republic of China initiated certain policy change that it would no longer support forex-trading related business in China. The policy required various third-party forex trading platform to shut down its business and restricted customers to access the investment funds deposited. As a result, the Company was not able to retrieve the funds held in these platform accounts to return to its former customers.

On September 5, 2018, the Company disposed 90% of AGM Belize for \$450,000 to Mr. Zhentao Jiang, a related party who is a director and principal shareholder of the Company. According to the equity transfer agreement, Mr. Zhentao Jiang will assume 90% assets and liabilities of AGM Belize and will be responsible to retrieve the investment funds to return to the Company's former customers. As of December 31, 2018, Mr. Zhentao Jiang retrieved and returned \$2,320,023 in cash to the Company's former customers directly.

Although the Company may not be responsible for losses caused by the discontinued operation of AGM Belize or responsible to retrieve and return the investment funds to these customers. However, the filing of a claim or commencement of any governmental investigation or proceeding against the Company or any of its affiliates, even if not justified, could create negative publicity and have a material adverse impact on the Company's operation. Should any of the allegations or claims arise, the Company operation could be adversely affected.

### *Lease Commitments*

On March 6, 2016, the Company entered into a lease agreement with Zumian Gong to lease a 410 square meters office space, located at No.8 Ronghua hong Road, Beijing Economic and Technology Development Zone, Beijing City, PRC. The lease is valid from March 6, 2016 to March 5, 2019. According to the lease, the rent is RMB56,162 (approximately \$8,000) per month.

On March 18, 2016 and June 3, 2016, the Company entered into a lease agreement and a supplementary lease agreement with Beijing Oriental Media Properties Limited, respectively, to lease a 479 square meters office space, located at Room 2605, 2606, and 2607, Block C Media Center, No.4 Guanghua Road, Chaoyang District, Beijing City, PRC. The lease is valid from April 1, 2016 to March 31, 2018. According to the lease, the rent is RMB161,620 (approximately \$24,000) per month.

On March 25, 2016, the Company entered into a lease agreement with Beijing Jinqiao Lida investment consulting Co., Ltd to lease a 377 square meters office space, located at Room 2211 and 2212, East Tower, VanPalace, No.1 Jingshua South Street, Chaoyang District, Beijing City, PRC. The lease starts from March 25, 2016 with a term of nine months ended on December 24, 2016. According to the agreement, the rent is RMB48,000 (approximately \$7,000) per month. On December 7, 2016, the Company renewed the lease agreement to extend the lease term for another six months with an increased rent of RMB50,000 (approximately \$7,000) per month. On June 5, 2017, the Company renewed this lease agreement to extend the lease term for one year with no change in rent charge.

On April 15, 2016, the Company entered into a lease agreement with Beijing Terry Henderson real estate brokerage Co., Ltd. to lease a 187 square-meter office space, located at Room 2112, East Tower, VanPalace, No.1 Jingshua South Street, Chaoyang District, Beijing City, PRC. The lease starts from April 15, 2016 with a term of one year. According to the agreement, the rent is RMB25,000 (approximately \$4,000) per month. On April 15, 2017, this lease agreement was renewed to extend the term for one-year term with no change in rent charge.

On August 16, 2016, the Company entered into a lease agreement with Shulin Liu to lease a 124 square meters office space, located at Room 2103, Block 6, No.93 Jianguo Road, Chaoyang District, Beijing City, PRC. The lease starts from September 1, 2016 with a term of two years ending on August 31, 2018. According to the lease, the rent is RMB22,500 (approximately \$3,000) per month.

From October 11, 2016 to August 1, 2017, the Company entered into twelve dormitories lease agreements for employees of AGM Beijing and AGM Nanjing, with total rent of RMB111,340 (approximately \$16,000) per month. The terms of these lease agreements range from five months to one year. In the year ended December 31, 2017, lease associated with one of the dormitories has expired, and the Company renewed three of the dormitory lease agreements to extend the lease term for another year and the total rents after renewal were RMB106,050 (approximately \$16,000) per month.

On November 15, 2016, the Company entered into a lease agreement with Gang Liu to lease a 186 square meters office space, located at Room 2111, East Tower, VanPalace, No.1 Jingshu South Street, Chaoyang District, Beijing City, PRC. The lease starts from December 5, 2016 with a term of six months ended on June 4, 2017. According to the agreement, the rent is RMB27,500 (approximately \$4,000) per month. On May 10, 2017, the Company renewed this lease agreement to extend the term for one year with no change in rent.

On November 28, 2017, the Company entered into a lease agreement with International Peaceful Interests Ltd. to lease an office space, located at Room 1904, 19/F Jubilee Center, 18 Fenwick St., 46 Gloucester Road, Wanchai, Hong Kong. The lease term is from December 8, 2017 to December 7, 2019. According to the agreement, the rent is HK\$48,136 (approximately \$6,000) per month.

In addition, the Company is committed to bearing the expenses of dormitories, which are leased for the Company's employees.

Rent expenses for the years ended December 31, 2018, 2017 and 2016 were \$447,363, \$728,843, and \$428,265, respectively. The Company has future minimum lease obligations as of December 31, 2018 as follows:

	<b>Commitment Amount</b>
Year of 2019	\$ 92,386
Year of 2020	-
Year of 2021	-
Year of 2022	-
Year of 2023	-
Thereafter	-
<b>Total</b>	<b>\$ 92,386</b>

#### **Note 14 - STOCKHOLDERS' EQUITY**

The Company is authorized to issue 400,000,000 ordinary shares. 200,000,000 of the authorized shares have been designated as class A ordinary shares which confers upon the shareholder to right to one vote per share at a meeting of the shareholders of the Company or on any resolution of shareholders, equal share in any dividend paid by the Company, and an equal share in the distribution of the surplus assets of the Company on its liquidation. The remaining 200,000,000 authorized shares have been designated as class B ordinary shares which confers upon the shareholder to right to five votes per share at a meeting of the shareholders of the Company or on any resolution of shareholders. Shareholders of class B ordinary share in the Company shall not receive the right to any dividend paid by the Company or any distribution of the surplus assets of the Company in its liquidation.

On April 27, 2015, the Company issued 10,000 ordinary shares at \$0.001 per share to its incorporator for a consideration of \$10.

On December 28, 2016, a total of 8,100,000 class A shares were issued at \$0.1 per share to eleven individuals and one company with cash proceeds of \$380,000 received at the end of 2016 and the remaining cash proceeds of \$430,000 received at the end of 2017.

On December 28, 2016, a total of 11,900,000 class A shares were issued at \$0.099 per share to Firebull Holdings Limited, a related party of the Company, and four senior management members of the Company, Zhentao Jiang, Chengchun Zhang, Wenjie Tang and Yufeng Mi, with cash proceeds of \$445,500 received at the end of 2016 and cash proceeds of \$732,600 received at the end of 2017.



On December 28, 2016, a total of 11,900,000 class B shares were issued at \$0.001 per share to Firebull Holdings Limited, a related party of the Company, and four senior management members of the Company, Zhentao Jiang, Chengchun Zhang, Wenjie Tang and Yufeng Mi, with cash proceeds of \$4,500 received at the end of 2016 and cash proceeds of \$7,400 received at the end of 2017.

As of December 31, 2017 and 2016, 20,010,000 shares of class A ordinary share and 11,900,000 shares of class B ordinary shares were issued and outstanding, respectively.

On February 15, 2018, a registration statement relating to the securities being sold in this offering was declared effective by the Securities and Exchange Commission (“SEC”). The Company completed the initial public offering of its Class A ordinary shares on April 13, 2018, through the issuance of 1,306,055 Class A ordinary shares at a public offering price of \$5.00 per share for net proceeds of \$5,732,810.

As of December 31, 2018, 21,316,000 shares of class A ordinary share and 11,900,000 shares of class B ordinary shares were issued and outstanding.

#### Note 15 - CONCENTRATIONS OF CREDIT RISK AND MAJOR CUSTOMERS AND SUPPLIERS

##### Customers

For the years ended December 31, 2018 and 2017, customers accounting for 10% or more of the Company’s revenues were as follows:

Customers	For the Years Ended December 31,	
	2018	2017
IIG Ltd. (Related Party)	24%	18%
A	19%	15%
B	19%	10%
C	*	11%
D	*	11%
E	*	11%

\* Less than 10%

No customer accounted for more than 10% of the Company’s accounts receivable as of December 31, 2018. As of December 31, 2018, receivable balance from IIG Ltd. a related party of the Company, and four other customers accounted for 24%, 19%, 19%, 9% and 9%, respectively, of the total net accounts receivable from both related party and third parties. As of December 31, 2017, receivable balance from IIG Ltd. a related party of the Company, and four other customers accounted for 30%, 16%, 15%, 13% and 11%, respectively, of the total net accounts receivable from both related party and third parties.

##### Suppliers

For the years ended December 31, 2018 and 2017, suppliers accounting for 10% or more of the Company’s purchases were as follows:

Suppliers	For the Years Ended December 31,	
	2018	2017
A	10%	10%
B	*	10%
C	15%	21%

\* Less than 10%

As of December 31, 2018, two suppliers accounted for 69% and 31% of the Company’s total current outstanding accounts payable, respectively. One supplier accounted for 100% of the Company’s accounts payable as of December 31, 2017.

#### Note 16 - SUBSEQUENT EVENTS

The Company evaluated subsequent events through May 15, 2019, the date the financial statements were available to issue, and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

## SUBSIDIARIES OF CONSUMER CAPITAL GROUP INC.

<b>Name</b>	<b>Place of Incorporation</b>
AGM Technology, Limited	Hong Kong, People's Republic of China
Shenzhen AnGaoMeng Financial Technology Service Co. Ltd.	People's Republic of China
Beijing AnGaoMeng Technology Service Co. Ltd.	People's Republic of China
Nanjing XinGaoMeng Software Technology Co. Ltd.	People's Republic of China
AGM Software Service LTD	British Virgin Islands
AGMTrade UK LTD	England and Wales
AGM Trade Global PTY LTD.	Australia
AGMClub Service Limited	Hong Kong, People's Republic of China
AGM Global Asset Management Limited	Cayman Islands

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Wenjie Tang, certify that:

1. I have reviewed this Annual Report on Form 20-F of AGM Group Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**AGM Group Holdings Inc.**

Dated: May 15, 2019

By: /s/ Wenjie Tang

Wenjie Tang  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Guofu Zhang, certify that:

1. I have reviewed this Annual Report on Form 20-F of AGM Group Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**AGM Group Holdings Inc.**

Dated: May 15, 2019

By: /s/ Guofu Zhang  
Guofu Zhang  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT of 2002**

In connection with the Annual Report of AGM Group Holdings Inc. (the "Company") on Form 20-F for the period ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), Wenjie Tang, Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**AGM Group Holdings Inc.**

Dated: May 15, 2019

By: /s/ Wenjie Tang  
Wenjie Tang  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT of 2002**

In connection with the Annual Report of AGM Group Holdings Inc. (the "Company") on Form 20-F for the period ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), Guofu Zhang, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**AGM Group Holdings Inc.**

Dated: May 15, 2019

By: /s/ Guofu Zhang  
Guofu Zhang  
Chief Financial Officer  
(Principal Accounting Officer)