

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended **June 30, 2022**

or

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

For the transition period from _____ to _____

Commission File Number **001-38308**

Greenpro Capital Corp.

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

Nevada

(State or other jurisdiction of
incorporation or organization)

98-1146821

(I.R.S. Employer
Identification No.)

**B-7-5, Northpoint Office,
Mid Valley City, No. 1 Medan Syed Putra Utara,
59200 Kuala Lumpur, Malaysia**

(Address of principal executive offices, including zip code)

Registrant's phone number, including area code **(603) 2201 - 3192**

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.0001 par value	GRNQ	NASDAQ Capital Market

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 (section 232.405 of this chapter) during the preceding twelve months (or shorter period that the registrant was required to submit and post such files).

Yes No

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

Large Accelerated Filer

Non-accelerated Filer

Accelerated Filer

Smaller reporting company

Emerging Growth Company

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

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

As of August 12, 2022, there were 7,867,188 shares, par value \$0.0001, of the registrant's Common Stock issued and outstanding.

TABLE OF CONTENTS

	<u>Page</u>
PART I	3
<u>FINANCIAL INFORMATION</u>	
ITEM 1.	3
<u>CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:</u>	
<u>Condensed Consolidated Balance Sheets - June 30, 2022 (Unaudited) and December 31, 2021</u>	3
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited) - Three and Six Months Ended June 30, 2022 and 2021</u>	4
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited) - Three and Six Months Ended June 30, 2022 and 2021</u>	5
<u>Condensed Consolidated Statements of Cash Flows (Unaudited) - Six Months Ended June 30, 2022 and 2021</u>	6
<u>Notes to Condensed Consolidated Financial Statements (Unaudited) - Six Months Ended June 30, 2022 and 2021</u>	7
ITEM 2.	19
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	
ITEM 3.	25
<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	
ITEM 4.	25
<u>CONTROLS AND PROCEDURES</u>	
PART II	26
<u>OTHER INFORMATION</u>	
ITEM 1	26
<u>LEGAL PROCEEDINGS</u>	
ITEM 2	26
<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	
ITEM 3	26
<u>DEFAULTS UPON SENIOR SECURITIES</u>	
ITEM 4	26
<u>MINE SAFETY DISCLOSURES</u>	
ITEM 5	26
<u>OTHER INFORMATION</u>	
ITEM 6	26
<u>EXHIBITS</u>	
<u>SIGNATURES</u>	27

PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements.

GREENPRO CAPITAL CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2022 AND DECEMBER 31, 2021
(In U.S. dollars, except share and per share data)

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents (including \$38,270 and \$12,866 of restricted cash as of June 30, 2022 and December 31, 2021, respectively)	\$ 4,094,007	\$ 5,338,571
Accounts receivable, net of allowance of \$6,226 and \$133,356 as of June 30, 2022 and December 31, 2021, respectively (including \$0 and \$41 of net accounts receivable from related parties as of June 30, 2022 and December 31, 2021, respectively)	33,834	30,601
Prepays and other current assets	594,414	146,661
Due from related parties	1,230,661	1,170,855
Deferred costs of revenue (including \$11,640 to related party as of June 30, 2022 and December 31, 2021, respectively)	185,138	123,293
Total current assets	6,138,054	6,809,981
Property and equipment, net	2,651,854	2,860,205
Real Estate investments:		
Real estate held for sale	2,072,398	2,205,839
Real estate held for investment, net	663,907	717,823
Intangible assets, net	2,250	2,625
Goodwill	345,809	345,808
Other investments (including \$8,407,735 and \$9,621,935 of investments in related parties as of June 30, 2022 and December 31, 2021, respectively)	8,407,735	9,621,935
Operating lease right-of-use assets, net	59,448	101,221
Other non-current assets	32,350	45,244
TOTAL ASSETS	\$ 20,373,805	\$ 22,710,681
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 340,529	\$ 787,595
Due to related parties	716,996	757,283
Income tax payable	1,490	2,342
Operating lease liabilities, current portion	63,617	89,636
Deferred revenue (including \$967,700 and \$912,980 from related parties as of June 30, 2022 and December 31, 2021, respectively)	2,326,108	2,006,696
Derivative liabilities	530	9,935
Total current liabilities	3,449,270	3,653,487
Operating lease liabilities, net of current portion	-	18,760
Total liabilities	3,449,270	3,672,247
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized; no shares issued and outstanding	-	-
Common Stock, \$0.0001 par value; 500,000,000 shares authorized; 7,867,188 shares issued and outstanding at June 30, 2022 (post reverse split) and 78,671,688 shares issued and outstanding at December 31, 2021, respectively	7,867	7,867
Additional paid in capital	50,102,738	50,102,738
Accumulated other comprehensive loss	(178,732)	(26,863)
Accumulated deficit	(33,251,270)	(31,271,808)

Total Greenpro Capital Corp. stockholders' equity	16,680,603	18,811,934
Noncontrolling interests in consolidated subsidiaries	<u>243,932</u>	<u>226,500</u>
Total stockholders' equity	<u>16,924,535</u>	<u>19,038,434</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 20,373,805</u>	<u>\$ 22,710,681</u>

See accompanying notes to the condensed consolidated financial statements.

GREENPRO CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(In U.S. dollars, except share and per share data)
(Unaudited)

	Three months ended June 30		Six months ended June 30,	
	2022	2021	2022	2021
REVENUES:				
Service revenue (including \$448,086 and \$376,518 of service revenue from related parties for the three months ended June 30, 2022 and 2021, respectively, and \$507,171 and \$664,989 of service revenue from related parties for the six months ended June 30, 2022 and 2021, respectively)	\$ 777,552	\$ 757,364	\$ 1,132,585	\$ 1,316,699
Sale of real estate properties	-	-	186,873	-
Rental revenue	30,390	34,661	64,330	64,899
Total revenue	807,942	792,025	1,383,788	1,381,598
COST OF REVENUES:				
Cost of service revenue	(72,068)	(87,768)	(136,344)	(171,570)
Cost of real estate properties sold	-	-	(127,341)	-
Cost of rental revenue	(11,907)	(13,491)	(22,700)	(25,306)
Total cost of revenues	(83,975)	(101,259)	(286,385)	(196,876)
GROSS PROFIT	723,967	690,766	1,097,403	1,184,722
OPERATING EXPENSES:				
General and administrative (including \$17,717 and \$1,449 of general and administrative expense to related parties for the three months ended June 30, 2022 and 2021, respectively, and \$36,228 and \$6,973 of general and administrative expense to related parties for the six months ended June 30, 2022 and 2021, respectively)	(1,028,635)	(1,179,832)	(1,932,774)	(2,561,086)
LOSS FROM OPERATIONS	(304,668)	(489,066)	(835,371)	(1,376,364)
OTHER INCOME (EXPENSES)				
Other income	24,975	3,356	75,696	4,122
Interest income	2,966	869	3,576	1,898
Fair value gains of derivative liabilities associated with warrants	3,503	59,265	9,405	39,744
Fair value (losses) gains of options associated with convertible notes	-	(143,200)	-	5,093,720
Gain on extinguishment of convertible notes	-	1,611,379	-	1,611,379
Reversal of write-off notes receivable	-	3,000,000	-	3,000,000
Interest expense	-	(1,560,226)	-	(12,187,264)
Impairment of other investments (including \$677,400 and \$3,246,000 of related party investments for the three months ended June 30, 2022 and 2021, respectively, and \$1,213,800 and \$3,246,000 of related party investments for the six months ended June 30, 2022 and 2021, respectively)	(677,400)	(3,246,000)	(1,213,800)	(3,246,000)
Total other expenses	(645,956)	(274,557)	(1,125,123)	(5,682,401)
LOSS BEFORE INCOME TAX	(950,624)	(763,623)	(1,960,494)	(7,058,765)
Income tax expense	(1,536)	(2,634)	(1,536)	(2,634)
NET LOSS	(952,160)	(766,257)	(1,962,030)	(7,061,399)
	6,380	(4,597)	(17,432)	(7,975)

Net loss (income) attributable to noncontrolling interest

NET LOSS ATTRIBUTED TO COMMON SHAREHOLDERS OF GREENPRO CAPITAL CORP.

	(945,780)	(770,854)	(1,979,462)	(7,069,374)
Other comprehensive loss:				
- Foreign currency translation loss	(138,310)	(6,176)	(151,869)	(18,696)
COMPREHENSIVE LOSS	<u>\$ (1,084,090)</u>	<u>\$ (777,030)</u>	<u>\$ (2,131,331)</u>	<u>\$ (7,088,070)</u>
NET LOSS PER SHARE, BASIC AND DILUTED	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.11)</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK OUTSTANDING, BASIC AND DILUTED	<u>78,671,688</u>	<u>65,516,503</u>	<u>78,671,688</u>	<u>62,741,231</u>

See accompanying notes to the condensed consolidated financial statements.

GREENPRO CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(In U.S. dollars, except share data)
(Unaudited)

Three months ended June 30, 2022 (Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Other Comprehensive Loss</u>		<u>Accumulated Deficit</u>	<u>Non- Controlling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Number of shares</u>	<u>Amount</u>						
Balance as of March 31, 2022 (Unaudited)	78,671,688	\$ 7,867	\$50,102,738	\$ (40,422)	\$ (32,305,490)	\$ 250,312	\$ 18,015,005	
Foreign currency translation	-	-	-	(138,310)	-	-	(138,310)	
Net loss	-	-	-	-	(945,780)	(6,380)	(952,160)	
Balance as of June 30, 2022 (Unaudited)	<u>78,671,688</u>	<u>\$ 7,867</u>	<u>\$50,102,738</u>	<u>\$ (178,732)</u>	<u>\$ (33,251,270)</u>	<u>\$ 243,932</u>	<u>\$ 16,924,535</u>	

Six months ended June 30, 2022 (Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Other Comprehensive Loss</u>		<u>Accumulated Deficit</u>	<u>Non- Controlling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Number of shares</u>	<u>Amount</u>						
Balance as of December 31, 2021	78,671,688	\$ 7,867	\$50,102,738	\$ (26,863)	\$ (31,271,808)	\$ 226,500	\$ 19,038,434	
Foreign currency translation	-	-	-	(151,869)	-	-	(151,869)	
Net (loss) income	-	-	-	-	(1,979,462)	17,432	(1,962,030)	
Balance as of June 30, 2022 (Unaudited)	<u>78,671,688</u>	<u>\$ 7,867</u>	<u>\$50,102,738</u>	<u>\$ (178,732)</u>	<u>\$ (33,251,270)</u>	<u>\$ 243,932</u>	<u>\$ 16,924,535</u>	

Three months ended June 30, 2021 (Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Other Comprehensive Loss</u>		<u>Accumulated Deficit</u>	<u>Non- Controlling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Number of shares</u>	<u>Amount</u>						
Balance as of March 31, 2021 (Unaudited)	62,107,154	\$ 6,212	\$35,816,307	\$ (39,383)	\$ (23,220,972)	\$ 206,379	\$ 12,768,543	
Fair value of shares issued for other investment	3,000,000	300	7,205,700	-	-	-	7,206,000	
Fair value of shares issued for subscription fee	60,000	6	144,114	-	-	-	144,120	
Fair value of shares issued from conversion of promissory note	704,738	70	1,641,969	-	-	-	1,642,039	
Value of beneficial conversion feature resulting from debt extinguishment	-	-	(2,891,800)	-	-	-	(2,891,800)	
Foreign currency translation	-	-	-	(6,176)	-	-	(6,176)	
Net (loss) income	-	-	-	-	(770,854)	4,597	(766,257)	
Balance as of June 30, 2021 (Unaudited)	<u>65,871,892</u>	<u>\$ 6,588</u>	<u>\$41,916,290</u>	<u>\$ (45,559)</u>	<u>\$ (23,991,826)</u>	<u>\$ 210,976</u>	<u>\$ 18,096,469</u>	

Six months ended June 30, 2021 (Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Other Comprehensive Loss</u>		<u>Accumulated Deficit</u>	<u>Non- Controlling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Number of shares</u>	<u>Amount</u>						
Balance as of December 31, 2020	61,764,562	\$ 6,178	\$25,135,738	\$ (26,863)	\$ (16,922,452)	\$ 203,001	\$ 8,395,602	
Fair value of shares issued for other investments	3,342,592	334	8,130,666	-	-	-	8,131,000	
Fair value of shares issued for subscription fee	60,000	6	144,114	-	-	-	144,120	
Fair value of shares issued from conversion of promissory note	704,738	70	1,641,969	-	-	-	1,642,039	
Beneficial conversion feature related to convertible notes	-	-	4,010,083	-	-	-	4,010,083	
Reclassification of conversion option related to a convertible note	-	-	5,745,520	-	-	-	5,745,520	
Value of beneficial conversion feature resulting from debt extinguishment	-	-	(2,891,800)	-	-	-	(2,891,800)	
Foreign currency translation	-	-	-	(18,696)	-	-	(18,696)	
Net (loss) income	-	-	-	-	(7,069,374)	7,975	(7,061,399)	
Balance as of June 30, 2021 (Unaudited)	<u>65,871,892</u>	<u>\$ 6,588</u>	<u>\$41,916,290</u>	<u>\$ (45,559)</u>	<u>\$ (23,991,826)</u>	<u>\$ 210,976</u>	<u>\$ 18,096,469</u>	

See accompanying notes to the condensed consolidated financial statements.

GREENPRO CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(In U.S. dollars)
(Unaudited)

	Six months ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (1,962,030)	\$ (7,061,399)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	82,243	84,669
Amortization of right-of-use assets	41,219	108,490
Amortization of discount on convertible notes	-	160,077
Amortization of debt issuance costs	-	56,959
Interest expense associated with accretion of convertible notes	-	8,561,440
Interest expense associated with conversion of notes	-	1,700,909
Interest expense due to non-fulfillment of use of proceeds requirements	-	1,105,256
Provision for bad debts	-	13,743
Fair value of shares issued for subscription fee	-	144,120
Reversal of write-off notes receivable	-	(3,000,000)
Impairment of other investment-related party	1,213,800	3,246,000
Loss on forfeiture of other investment	1,650	-
Gain on sale of real estate held of sale	(59,532)	-
Fair value gains of derivative liabilities associated with warrants	(9,405)	(39,744)
Fair value gains of options associated with convertible notes	-	(5,093,720)
Gain on extinguishment of convertible notes	-	(1,611,379)
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,233)	103,576
Prepays and other current assets	(434,859)	(12,266)
Deferred costs of revenue	(61,845)	(16,732)
Accounts payable and accrued liabilities	(447,066)	209,319
Operating lease liabilities	(44,225)	(100,138)
Income tax payable	(852)	-
Deferred revenue	319,412	146,138
Net cash used in operating activities	<u>(1,364,723)</u>	<u>(1,294,682)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,371)	(35,133)
Purchase of other investments	(1,250)	(3,450)
Proceeds from real estate held for sale	184,211	-
Net cash provided by (used in) investing activities	<u>180,590</u>	<u>(38,583)</u>
Cash flows from financing activities:		
Principal payments of loans secured by real estate	-	(80,705)
Advances to related parties	(93,768)	(26,304)
Proceeds from convertible promissory notes, net	-	5,210,000
Collection of notes receivable	-	3,000,000
Convertible note redemptions paid in cash	-	(1,120,000)
Net cash (used in) provided by financing activities	<u>(93,768)</u>	<u>6,982,991</u>
Effect of exchange rate changes in cash and cash equivalents	33,337	2,801
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,244,564)	5,652,527
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	<u>5,338,571</u>	<u>1,086,753</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	<u>\$ 4,094,007</u>	<u>\$ 6,739,280</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income tax	\$ 2,222	\$ 3,645
Cash paid for interest	<u>\$ -</u>	<u>\$ 331,691</u>

NON-CASH INVESTING AND FINANCING ACTIVITIES:

Fair value of shares issued for other investments	\$ <u> </u> -	\$ <u> 8,131,000</u>
Fair value of shares issued from conversion of promissory note	\$ <u> </u> -	\$ <u> 1,642,039</u>
Beneficial conversion feature associated with convertible notes payable	\$ <u> </u> -	\$ <u> 4,010,083</u>
Reclassification of conversion option associated with convertible notes payable to additional paid in capital	\$ <u> </u> -	\$ <u> 5,745,520</u>
Derecognition of beneficial conversion feature value from additional paid in capital resulting from debt extinguishment	\$ <u> </u> -	\$ <u> 2,891,800</u>

See accompanying notes to the condensed consolidated financial statements.

GREENPRO CAPITAL CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(In U.S. dollars, except share and per share data)
(Unaudited)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greenpro Capital Corp. (the “Company” or “GRNQ”) was incorporated on July 19, 2013 in the state of Nevada. The Company currently provides a wide range of business consulting and corporate advisory services, including cross-border listing advisory services, tax planning, advisory and transaction services, record management services, and accounting outsourcing services. Our focus is on companies located in Asia and Southeast Asia, including Hong Kong, Malaysia, China, Thailand, and Singapore. As part of our business consulting and corporate advisory business segment, Greenpro Venture Capital Limited provides a business incubator for start-up companies and focuses on investments in select start-up and high growth potential companies. In addition to our business consulting and corporate advisory business segment, we operate another business segment that focuses on the acquisition and rental of real estate properties held for investment and the acquisition and sale of real estate properties held for sale.

Basis of presentation and principles of consolidation

The accompanying unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2022 and 2021 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) that permit reduced disclosure for interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) have been condensed or omitted. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period ended June 30, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. The Condensed Consolidated Balance Sheet information as of December 31, 2021 was derived from the Company’s audited Consolidated Financial Statements as of and for the year ended December 31, 2021 included in the Company’s Annual Report on Amendment No. 1 to Form 10-K filed with the SEC on July 18, 2022. These financial statements should be read in conjunction with that report.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and majority-owned subsidiaries which the Company controls and entities for which the Company is the primary beneficiary. For those consolidated subsidiaries where the Company’s ownership is less than 100%, the outside shareholders’ interests are shown as noncontrolling interests in equity. Acquired businesses are included in the consolidated financial statements from the date on which control is transferred to the Company. Subsidiaries are deconsolidated from the date that control ceases. All inter-company accounts and transactions have been eliminated in consolidation.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. During the six months ended June 30, 2022, the Company incurred a net loss of \$1,962,030 and net cash used in operations of \$1,364,723. These factors raise substantial doubt about the Company’s ability to continue as a going concern within one year of the date that the financial statements are issued. In addition, the Company’s independent registered public accounting firm, in its report on the Company’s December 31, 2021 financial statements, has expressed substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon improving its profitability and the continuing financial support from its shareholders. Management believes the existing shareholders or external financing will provide the additional cash to meet the Company’s obligations as they become due. Despite the amount of funds that we have raised in the past, no assurance can be given that any future financing, if needed, will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, if needed, it may contain undue restrictions on its operations, in the case of debt financing, or cause substantial dilution for its stockholders, in the case of equity financing.

COVID-19 Pandemic

Our business, financial condition and results of operations may be materially adversely affected by global health epidemics, including the recent COVID-19 outbreak.

Outbreaks of epidemic, pandemic, or contagious diseases such as COVID-19, could have an adverse effect on our business, financial condition, and results of operations. The spread of COVID-19 from China to other countries has resulted in the World Health Organization declaring the outbreak of COVID-19 as a global pandemic. The international stock markets reflect the uncertainty associated with the slow-down in the global economy and the reduced levels of international travel experienced since the beginning of January 2020, large declines in oil prices and the significant decline in the Dow Industrial Average at the end of February and beginning of March 2020 was largely attributed to the effects of COVID-19.

More specifically our business was affected to a large extent by a shut-down of operations both for ourselves and our clients for much of the whole year of 2020. Total revenue for the six months ended June 30, 2022, was \$1,383,788 compared to \$1,381,598 for the same period in 2021. The slight increase in total revenue was mainly due to sale of real estate properties during the first quarter of 2022. When nation-wide shutdowns were mandated the first half of 2020, there was a corresponding decline in demand for our business services. When business gradually resumed beginning the first half of 2021, we saw a corresponding increase in orders of our business services.

The full extent of the financial impact of the COVID-19 pandemic cannot be reasonably estimated at this time as the pandemic is still ongoing. The extent to which the COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and its variants and the actions taken globally to contain the coronavirus or treat its impact, the efficacy of vaccines on COVID-19 and its variants, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

Additionally, the COVID-19 pandemic may also affect our overall ability to react timely to mitigate the impact of this event and may hamper our efforts to contact our service providers and advisors and to provide our investors with timely information and comply with our filing obligations with the SEC, especially in the event of office closures, stay-in-place orders and a ban on travel or quarantines. We are still assessing our business operations and the impact COVID-19 may have on our results and financial condition in the future, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally or in our sector in particular.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates include certain assumptions related to, among others, the allowance for doubtful accounts receivable, impairment analysis of real estate assets and other long-term assets including goodwill, valuation allowance on deferred income taxes, the assumptions used in the valuation of the derivative liabilities, and the accrual of potential liabilities. Actual results may differ from these estimates.

Cash, cash equivalents, and restricted cash

Cash consists of funds on hand and held in bank accounts. Cash equivalents includes demand deposits placed with banks or other financial institutions and all highly liquid investments with original maturities of three months or less, including money market funds. Restricted cash represents cash restricted for the loan collateral requirements as defined in a loan agreement and the minimum paid-up share capital requirement for insurance brokers specified under the Insurance Ordinance of Hong Kong.

At June 30, 2022 and December 31, 2021, cash included funds held by employees of \$42,060 and \$0, respectively, and was held to facilitate payment of expenses in local currencies and to facilitate third-party online payment platforms in which the Company had not set up corporate accounts (WeChat Pay and Alipay).

	As of June 30, 2022 (Unaudited)	As of December 31, 2021 (Audited)
<u>Cash, cash equivalents, and restricted cash</u>		
Denominated in United States Dollars	\$ 2,844,834	\$ 4,137,396
Denominated in Hong Kong Dollars	748,150	895,820
Denominated in Chinese Renminbi	314,812	151,311
Denominated in Malaysian Ringgit	186,211	154,044
Cash, cash equivalents, and restricted cash	<u>\$ 4,094,007</u>	<u>\$ 5,338,571</u>

Revenue recognition

The Company follows the guidance of Accounting Standards Codification (ASC) 606, *Revenue from Contracts*. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients (see Note 2).

Investments

Investments in equity securities

The Company accounts for its investments that represent less than 20% ownership, and for which the Company does not have the ability to exercise significant influence, using ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*. The Company measure investments in equity securities without a readily determinable fair value using a measurement alternative that measures these securities at the cost method minus impairment, if any, plus or minus changes resulting from observable price changes on a non-recurring basis. Gains and losses on these securities are recognized in other income and expenses.

At June 30, 2022, the Company had twenty investments in equity securities without readily determinable fair values of related parties valued at \$8,407,735, and ten investments in equity securities without readily determinable fair values of related parties had been fully impaired with carrying value of \$nil (see Note 3).

At December 31, 2021, the Company had seventeen investments in equity securities without readily determinable fair values of related parties valued at \$9,621,935, and ten investments in equity securities without readily determinable fair values of related parties had been fully impaired with carrying value of \$nil (see Note 3).

Derivative financial instruments

Derivative financial instruments consist of financial instruments that contain a notional amount and one or more underlying variables such as interest rate, security price, variable conversion rate or other variables, require no initial net investment and permit net settlement. The derivative financial instruments may be free-standing or embedded in other financial instruments. The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company follows the provision of ASC 815, *Derivatives and Hedging* for derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. At each reporting date, the Company reviews its convertible securities to determine that their classification is appropriate.

Net loss per share

Basic loss per share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period plus any potentially dilutive shares related to the issuance of shares from stock warrants. For the three and six months ended June 30, 2022 and 2021, the only outstanding Common Stock equivalents were warrants for 53,556 potentially dilutive shares outstanding. These warrants have been excluded from the calculation of weighted average shares as the effect would have been anti-dilutive and therefore, basic and diluted net loss per share were the same.

Foreign currency translation

The consolidated financial statements are presented in United States Dollars (“US\$”), which is the functional and reporting currency of the Company. In addition, the Company’s operating subsidiaries maintain their books and records in their respective functional currency, which consists of the Malaysian Ringgit (“MYR”), Chinese Renminbi (“RMB”) and Hong Kong Dollars (“HK\$”).

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

Translation of amounts from the local currencies of the Company into US\$ has been made at the following exchange rates for the respective periods:

	As of and for the six months ended	
	June 30,	
	2022	2021
Period-end MYR : US\$1 exchange rate	4.41	4.15
Period-average MYR : US\$1 exchange rate	4.29	4.10
Period-end RMB : US\$1 exchange rate	6.70	6.46
Period-average RMB : US\$1 exchange rate	6.50	6.46

Period-end HK\$: US\$1 exchange rate	7.85	7.77
Period-average HK\$: US\$1 exchange rate	<u>7.83</u>	<u>7.76</u>

Fair value of financial instruments

The Company follows the guidance of ASC 820-10, “*Fair Value Measurements and Disclosures*” (“ASC 820-10”), with respect to financial assets and liabilities that are measured at fair value. ASC 820-10 establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

- *Level 1* : Observable inputs such as quoted prices in active markets;
- *Level 2* : Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3* : Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

The Company believes the carrying amount reported in the balance sheet for cash and cash equivalents, accounts receivable, prepaids and other current assets, accounts payable and accrued liabilities, income tax payable, deferred costs of revenue, deferred revenue, and due to related parties, approximate their fair values because of the short-term nature of these financial instruments.

As of June 30, 2022 and December 31, 2021, the Company’s balance sheet includes Level 3 liabilities comprised of the fair value of derivative liabilities of \$530 and \$9,935, respectively (see Note 5). The following table sets forth a summary of the changes in the estimated fair value of our derivative during the six-month period ended June 30, 2022:

	Derivative liability
Fair value as of December 31, 2021 (Audited)	\$ 9,935
Fair value gains of derivative liability associated with warrants	(9,405)
Fair value as of June 30, 2022 (Unaudited)	<u>\$ 530</u>

Concentrations of risks

For the three months ended June 30, 2022, two customers accounted for 45% (31% and 14%) of revenues, as compared to two customers accounted for 40% (23% and 17%) of revenues for the three months ended June 30, 2021. For the six months ended June 30, 2022, two customers accounted for 32% (18% and 14%) of revenues, as compared to two customers accounted for 38% (24%, and 14%) of revenues for the six months ended June 30, 2021.

One customer accounted for 14% of net accounts receivable and three customers accounted for 56% (40%, 10% and 6%) of net accounts receivable as of June 30, 2022 and December 31, 2021, respectively.

For the three and six months ended June 30, 2022 and 2021, no vendor accounted for 10% or more of the Company's cost of revenues.

Three vendors accounted for 82% (35%, 24% and 23%) of accounts payable and three vendors accounted for 65% (47%, 9% and 9%) of accounts payable as of June 30, 2022 and December 31, 2021, respectively.

Economic and political risks

Substantially all the Company's services are conducted in the Asian region, primarily in Hong Kong, Malaysia, and the People's Republic of China ("PRC"). Among other risks, the Company's operations in Malaysia are subject to the risks of restrictions on transfer of funds; export duties, quotas, and embargoes; domestic and international customs and tariffs; changing taxation policies; foreign exchange restrictions; and political conditions and governmental regulations in Malaysia.

The Company's operations in the PRC are subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These include risks associated with, among others, the political, economic, and legal environment and foreign currency exchange. The Company's results may be adversely affected by changes in the political conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion, remittances abroad, and rates and methods of taxation.

Recent accounting pronouncements

In August 2020, the FASB issued "ASU 2020-06, Debt with Conversion and Other Options (Subtopic 47020) and Derivatives and Hedging – Contracts in Equity's Own Equity (Subtopic 815-40)" which simplifies the accounting for convertible instruments. The guidance removes certain accounting models which separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospective method of transition or a fully retrospective method of transition is permissible for the adoption of this standard. Update No. 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted no earlier than the fiscal year beginning after December 15, 2020. The Company is currently evaluating the potential on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Credit Losses - Measurement of Credit Losses on Financial Instruments ("ASC 326"). The standard significantly changes how entities will measure credit losses for most financial assets, including accounts and notes receivables. The standard will replace today's "incurred loss" approach with an "expected loss" model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The standard is effective for interim and annual reporting periods beginning after December 15, 2022. The Company is currently assessing the impact of adopting this standard on the Company's financial statements and related disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 2 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's revenue consists of revenue from providing business consulting and corporate advisory services ("service revenue"), revenue from the sale of real estate properties, and revenue from the rental of real estate properties.

Revenue from services

For certain service contracts, we assist or provide advisory to clients in capital market listings ("Listing services"), our services provided to clients are considered as our performance obligations. Revenue and expenses are deferred until the performance obligation is complete and collectability of the consideration is probable. For service contracts where the performance obligation is not completed, deferred costs of revenue are recorded as incurred and deferred revenue is recorded for any payments received on such yet to be completed performance obligations. On an ongoing basis, management monitors these contracts for profitability and when needed may record a liability if a determination is made that costs will exceed revenue.

For other services such as company secretarial, accounting, financial analysis and related services ("Non-listing services"), the Company's performance obligations are satisfied, and the related revenue is recognized, as services are rendered. For contracts in which we act as an agent, the Company reports revenue net of expenses paid.

The Company offers no discounts, rebates, rights of return, or other allowances to clients which would result in the establishment of reserves against service revenue. Additionally, to date, the Company has not incurred incremental costs in obtaining a client contract.

Revenue from the sale of real estate properties

The Company follows the guidance of ASC 610-20, *Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets* ("ASC 610-20") in accounting for the sale of real estate properties. The Company records the sale based on completed performance obligations, which typically occurs upon the transfer of ownership of a real estate asset to the buyer. During the three and six months ended June 30, 2022, no revenue from sale of real estate property and revenue from sale of one-unit real estate property, respectively. The Company recorded no sales revenue from the real estate property held for sale for the three and six months ended June 30, 2021.

Revenue from the rental of real estate properties

Rental revenue represents lease rental income from the Company's tenants. The tenants pay monthly in accordance with lease agreements and the Company recognizes the income ratably over the lease term as this is the most representative of the pattern in which the benefit is expected to be derived from the underlying asset.

Cost of revenues

Cost of service revenue primarily consists of employee compensation and related payroll benefits, company formation costs, and other professional fees directly attributable to the services rendered.

Cost of real estate properties sold primarily consists of the purchase price of property, legal fees, improvement costs to the building structure, and other acquisition costs. Selling and advertising costs are expensed as incurred.

Cost of rental revenue primarily includes costs associated with repairs and maintenance, property insurance, depreciation, and other related administrative costs. Property management fees and utility expenses are paid directly by tenants.

The following table provides information about disaggregated revenue based on revenue by service lines and revenue by geographic area:

	Three Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Revenue by service lines:		
Corporate advisory – Non-listing services	\$ 421,811	\$ 457,364
Corporate advisory – Listing services	355,741	300,000
Rental of real estate properties	30,390	34,661
Total revenue	\$ 807,942	\$ 792,025

	Three Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Revenue by geographic area:		
Hong Kong	\$ 311,570	\$ 578,879
Malaysia	156,849	146,940
China	339,523	66,206
Total revenue	\$ 807,942	\$ 792,025

	Six Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Revenue by service lines:		
Corporate advisory – Non-listing services	\$ 776,844	\$ 816,699
Corporate advisory – Listing services	355,741	500,000
Rental of real estate properties	64,330	64,899
Sale of real estate properties	186,873	-
Total revenue	\$ 1,383,788	\$ 1,381,598

	Six Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Revenue by geographic area:		
Hong Kong	\$ 737,698	\$ 957,042
Malaysia	268,434	282,841
China	377,656	141,715
Total revenue	\$ 1,383,788	\$ 1,381,598

Our contract balances include deferred costs of revenue and deferred revenue.

Deferred Revenue

For service contracts where the performance obligation is not completed, deferred revenue is recorded for any payments received in advance of the performance obligation. Changes in deferred revenue were as follows:

	Six Months Ended June 30, 2022 (Unaudited)
Deferred revenue, January 1, 2022	\$ 2,006,696
New contract liabilities	675,153
Performance obligations satisfied	(355,741)
Deferred revenue, June 30, 2022	\$ 2,326,108

Deferred Costs of Revenue

For service contracts where the performance obligation is not completed, deferred costs of revenue are recorded for any costs incurred in advance of the performance obligation.

Deferred revenue and deferred costs of revenue at June 30, 2022 and December 31, 2021 are classified as current assets or current liabilities and totaled:

	As of June 30, 2022	As of December 31, 2021
	(Unaudited)	(Audited)
Deferred revenue	\$ 2,326,108	\$ 2,006,696
Deferred costs of revenue	\$ 185,138	\$ 123,293

NOTE 3 - OTHER INVESTMENTS

	As of June 30, 2022 <u>(Unaudited)</u>	As of December 31, 2021 <u>(Audited)</u>
Investment in equity securities without readily determinable fair values of affiliates:		
(1) Greenpro Trust Limited (a related party)	\$ 51,613	\$ 51,613
(2) Other related parties	8,356,122	9,570,322
Total	<u>\$ 8,407,735</u>	<u>\$ 9,621,935</u>

Investment in equity securities without readily determinable fair values of affiliates (related parties):

Equity securities without readily determinable fair values are investments in companies without readily determinable market values. The Company adopted the guidance of ASC 321, Investments - Equity Securities, which allows an entity to measure investments in equity securities without a readily determinable fair value using a measurement alternative that measures these securities at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investment of same issuer (the "Measurement Alternative"). The fair value of equity securities without readily determinable fair values that have been remeasured due to impairment are classified within Level 3. Management assesses each of these investments on an individual basis. Additionally, on a quarterly basis, management is required to make a qualitative assessment of whether the investment is impaired. For the three and six months ended June 30, 2022, the Company recognized an impairment loss of \$677,400 and \$1,213,800, respectively for one of the equity securities without readily determinable fair values. During the year ended December 31, 2021, the Company recognized impairment of \$5,349,600 for one of the investments in equity securities without readily determinable fair values.

In addition, the Company held equity securities without readily determinable fair values that were recorded at cost. For these cost method investments, we recorded as other investments in our condensed consolidated balance sheets. We reviewed all of our cost method investments quarterly to determine if impairment indicators were present; however, we were not required to determine fair value of these investments unless impairment indicators exist. When impairment indicators exist, we generally used discounted cash flow analyses to that the fair values of our cost method investments approximated or exceeded their carrying values as of June 30, 2022. Our cost method investments had a carrying value of \$8,407,735 as of June 30, 2022.

(a) Agape ATP Corporation:

On January 21, 2022, Greenpro Venture Capital Limited, a subsidiary of the Company ("GVCL") entered into a forfeiture agreement with Agape ATP Corporation ("Agape"). Pursuant to the agreement, GVCL agreed to transfer 16,500,000 shares out of its total invested 17,500,000 shares of common stock of Agape to Agape for nil consideration. As a result, GVC recognized a loss on forfeiture of other investment of \$1,650. As of June 30, 2022, GVCL still owns 1,000,000 shares of common stock of Agape and recognized the investment under a historical cost of \$100 or \$0.0001 per share.

(b) ACT Wealth Academy Inc.:

On February 21, 2022, GVCL entered into a subscription agreement with ACT Wealth Academy Inc., a Nevada corporation, which provides training, seminars, and events in the academic fields ("ACT Wealth"). Pursuant to the agreement, GVCL acquired 6,000,000 shares of common stock of ACT Wealth at a price of \$600 or \$0.0001 per share. The investment was recognized at a historical cost of \$600 under other investments.

(c) REBLOOD Biotech Corp.:

On April 1, 2022, GVCL entered into a subscription agreement with REBLOOD Biotech Corp., a Nevada corporation, which provides health management and biotechnology services ("REBLOOD"). Pursuant to the agreement, GVCL acquired 1,000,000 shares of common stock of REBLOOD at a price of \$100 or \$0.0001 per share. The investment was recognized at a historical cost of \$100 under other investments.

(d) Best2bid Technology Corp.:

On June 9, 2022, GVCL entered into a subscription agreement with Best2bid Technology Corp., a Nevada corporation, which provides an online bidding cum e-commerce platform enabling participants to auction or sell their merchandise to bidders ("Best2bid"). Pursuant to the agreement, GVCL acquired 5,500,000 shares of common stock of Best2bid at a price of \$550 or \$0.0001 per share. The investment was recognized at a historical cost of \$550 under other investments.

The Company had cost method investments without readily determinable fair values with a carrying value of \$8,407,735 and \$9,621,935 as of June 30, 2022, and December 31, 2021, respectively.

On June 30, 2022 and December, 31 2021, the carrying values of equity securities without readily determinable fair values are as follows:

	As of June 30, 2022	As of December 31, 2021
	(Unaudited)	(Audited)
Original cost	\$ 15,547,014	\$ 15,545,764
Unrealized gains (losses)	-	-
Provision for impairment or decline in value	(7,137,629)	(5,923,829)
Forfeiture of partial investment	(1,650)	-
Equity securities without readily determinable fair values, net	<u>\$ 8,407,735</u>	<u>\$ 9,621,935</u>

Impairment of other investments

For the three and six months ended June 30, 2022, the Company recognized an impairment loss of \$677,400 and \$1,213,800, respectively of other investments. As of June 30, 2022 and December 31, 2021, balance of provision for impairment loss of other investments was \$7,137,629 and of \$5,923,829, respectively.

NOTE 4 - OPERATING LEASES

The Company has three separate operating lease agreements for one office space in Hong Kong with a term of two years, one office space in Kuala Lumpur and another office space in Labuan both with a term of one year, respectively. The Company does not have any other leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company accounts for the lease and non-lease components of its leases as a single lease component. Lease expense is recognized on a straight-line basis over the lease term.

Operating lease right-of-use (“ROU”) assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Generally, the implicit rate of interest in arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company’s incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

The components of lease expense and supplemental cash flow information related to leases for the period are as follows:

	Six Months Ended June 30, 2022 <u>(Unaudited)</u>	Six Months Ended June 30, 2021 <u>(Unaudited)</u>
<u>Lease Cost</u>		
Operating lease costs included in the measurement of lease liabilities for the six months ended June 30, 2022 and 2021, respectively	\$ 43,011	\$ 111,418
<u>Other Information</u>		
Cash paid for amounts included in the measurement of lease liabilities for the six months ended June 30, 2022 and 2021, respectively	\$ 45,978	\$ 103,060
Weighted average remaining lease term - operating leases (in years)	0.71	1.71
Average discount rate - operating leases	4.0%	4.0%

The supplemental balance sheet information related to leases for the period is as follows:

	As of June 30, 2022 <u>(Unaudited)</u>	As of December 31, 2021 <u>(Audited)</u>
<u>Operating lease assets and liabilities</u>		
Long-term ROU assets	\$ 59,448	\$ 101,221
Short-term lease liabilities	\$ 63,617	\$ 89,636
Long-term lease liabilities	-	18,760
Total lease liabilities	<u>\$ 63,617</u>	<u>\$ 108,396</u>

Maturities of the Company’s lease liabilities are as follows:

<u>Year Ending</u>	<u>Leases Liabilities</u> (Unaudited)
2022 (remaining 6 months)	\$ 45,875
2023	18,745
Total lease payments	64,620
Less: Imputed interest/present value discount	(1,003)
Present value of lease liabilities	<u>\$ 63,617</u>

Lease expenses were \$27,442 and \$55,346 during the three and six months ended June 30, 2022, respectively, and \$49,924 and \$127,568 during the three and six months ended June 30, 2021, respectively.

NOTE 5 - DERIVATIVE LIABILITIES

At June 30, 2022, the Company has outstanding warrants exercisable into 53,556 shares of the Company's Common Stock. The strike price of warrants is denominated in US dollars. As a result, the warrants are not considered indexed to the Company's own stock, and the Company characterized the fair value of the warrants as the derivative liabilities upon issuance. The derivative liabilities are re-measured at the end of every reporting period with the change in value reported in the statement of operations.

At December 31, 2021, the balance of the derivative liabilities related to warrants was \$9,935. During the six months ended June 30, 2022, the Company recorded a decrease in fair value of derivatives of \$9,405. At June 30, 2022, the balance of the derivative liabilities related to warrants was \$530.

The derivative liabilities related to warrants were valued using the Black-Scholes-Merton valuation model with the following assumptions:

	As of June 30, 2022 <u>(Unaudited)</u>	As of December 31, 2021 <u>(Audited)</u>
Risk-free interest rate	\$ 3.1%	\$ 1.9%
Expected volatility	170%	174%
Contractual life (in years)	1.0 years	1.4 years
Expected dividend yield	0.00%	0.00%
Fair value of warrants	<u>\$ 530</u>	<u>\$ 9,935</u>

The risk-free interest rate is based on the yield available on U.S. Treasury securities. The Company estimates volatility based on the historical volatility of its Common Stock. The contractual life of the warrants is based on the expiration date of the warrants. The expected dividend yield was based on the fact that the Company has not paid dividends to common shareholders in the past and does not expect to pay dividends to common shareholders in the future. For the six months ended June 30, 2022, the Company recognized a fair value gain of \$9,405 associated with the revaluation of above derivative liabilities.

NOTE 6 - WARRANTS

In 2018, the Company issued warrants exercisable into 53,556 shares of Common Stock. The warrants were fully vested when issued, have an exercise price of \$7.20 per share, and expire in 2023. A summary of warrant activity during the six months ended June 30, 2022 is presented below:

	<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Remaining Contractual Life (in Years)</u>
Warrants outstanding at December 31, 2021	53,556	\$ 7.20	
Granted	-	-	
Exercised	-	-	
Expired	-	-	
Warrants outstanding at June 30, 2022 (Unaudited)	<u>53,556</u>	<u>\$ 7.20</u>	<u>1.0</u>
Warrants exercisable at June 30, 2022 (Unaudited)	<u>53,556</u>	<u>\$ 7.20</u>	<u>1.0</u>

At June 30, 2022, the intrinsic value of outstanding warrants was zero.

NOTE 7 - RELATED PARTY TRANSACTIONS

Accounts receivable from related parties:	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Accounts receivable, net - related parties		
- Related party B (net of allowance of \$0 and \$41 as of June 30, 2022 and December 31, 2021, respectively)	\$ -	\$ 41
Due from related parties:	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Due from related parties		
- Related party B	563,301	503,361
- Related party D	606,296	606,430
- Related party G	1,064	1,064
- Related party H	60,000	60,000
Total	\$ 1,230,661	\$ 1,170,855

The amounts due from related parties are interest-free, unsecured and have no fixed terms of repayment.

Due to related parties:	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Due to related parties		
- Related party A	\$ 53,648	\$ 29,512
- Related party B	1,503	1,513
- Related party G	396	780
- Related party I	1,543	2,257
- Related party J	620,843	701,781
- Related party K	39,063	21,440
Total	\$ 716,996	\$ 757,283

The amounts due to related parties are interest-free, unsecured and have no fixed terms of repayment.

Related party revenue and expense transactions:	For the six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Service revenue from related parties		
- Related party A	\$ 15,375	\$ 79,391
- Related party B	456,809	563,073
- Related party C	-	115
- Related party D	17,545	16,579
- Related party E	4,296	3,819
- Related party G	12,541	1,427
- Related party I	560	585
- Related party K	45	-
Total	\$ 507,171	\$ 664,989
General and administrative expenses to related parties		
- Related party A	\$ 3,196	\$ 4,397
- Related party B	3,182	1,932
- Related party D	-	644
- Related party I	8,394	-
- Related party K	21,456	-
Total	\$ 36,228	\$ 6,973
Impairment of other investments in related parties:		
- Related party B	\$ 1,213,800	\$ 3,246,000

Related party A is under common control of Mr. Loke Che Chan Gilbert, the Company's CFO and a major shareholder.

Related party B represents companies where the Company owns a certain percentage of their company shares.

Related party C is controlled by a director of a wholly owned subsidiary of the Company.

Related party D represents a company that we have determined that we can significantly influence based on our common business relationships.

Related party E represents companies whose CEO is a consultant to the Company, and who is also a director of Aquarius Protection Fund, a shareholder in the Company.

Related party F represents a family member of Mr. Loke Che Chan Gilbert, the Company's CFO and a major shareholder.

Related party G is under common control of Mr. Lee Chong Kuang, the Company's CEO and a major shareholder.

Related party H represents a company in which we currently have an approximate 49% equity-method investment. During 2018, the Company acquired 49% of related party H for total consideration of \$368,265. At December 31, 2018, the Company determined that its investments in Related party H was impaired and recorded an impairment of other investments of \$368,265. On June 30, 2022 and December 31, 2021, amounts due from Related party H are unsecured, bear no interest, and are payable upon demand.

Related party I is controlled by a family member of Mr. Lee Chong Kung, the Company's CEO and a major shareholder.

Related party J represents the noncontrolling interest in the Company's subsidiary that owns its real estate held for sale. The amounts due to Related party J are unsecured, bear no interest, are payable on demand, and related to the initial acquisition of the real estate held for sale.

Related party K represents shareholders and directors of the Company. Due to Related party K represents expenses paid by the shareholders or directors to third parties on behalf of the Company, are non-interest bearing, and are due on demand.

NOTE 8 - SEGMENT INFORMATION

ASC 280, "Segment Reporting" establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about services categories, business segments and major customers in financial statements. The Company has two reportable segments that are based on the following business units: service business and real estate business. In accordance with the "Segment Reporting" Topic of the ASC, the Company's chief operating decision maker has been identified as the Chief Executive Officer and President, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similar customer base and similarities in economic characteristics; nature of products and services; and procurement, manufacturing, and distribution processes. The Company operates two reportable business segments:

- Service business - provision of corporate advisory and business solution services
- Real estate business - leasing and trading of commercial real estate properties in Hong Kong and Malaysia

The Company had no inter-segment sales for the periods presented. Summarized financial information concerning the Company's reportable segments is shown as below:

(a) By Categories

	For the six months ended June 30, 2022 (Unaudited)			
	Real estate business	Service business	Corporate	Total
Revenues	\$ 251,203	\$ 1,132,585	\$ -	\$ 1,383,788
Cost of revenues	(150,041)	(136,344)	-	(286,385)
Depreciation and amortization	(15,919)	(62,459)	(3,865)	(82,243)
Impairment	-	-	(1,213,800)	(1,213,800)
Net income (loss)	43,583	(1,554,363)	(451,250)	(1,962,030)
Total assets	2,150,178	7,542,246	10,681,381	20,373,805
Capital expenditures for long-lived assets	\$ -	\$ 2,371	\$ -	\$ 2,371

	For the six months ended June 30, 2021 (Unaudited)			
	Real estate business	Service business	Corporate	Total
Revenues	\$ 64,899	\$ 1,316,699	\$ -	\$ 1,381,598
Cost of revenues	(25,306)	(171,570)	-	(196,876)
Depreciation and amortization	(78,352)	(1,556)	(4,761)	(84,669)
Net income (loss)	19,938	(3,842,690)	(3,238,647)	(7,061,399)
Total assets	2,363,316	14,953,540	7,946,633	25,263,489
Capital expenditures for long-lived assets	\$ -	\$ 7,241,133	\$ 928,450	\$ 8,169,583

(b) By Geography*

	For the six months ended June 30, 2022 (Unaudited)			
	Hong Kong	Malaysia	China	Total
Revenues	\$ 737,698	\$ 268,434	\$ 377,656	\$ 1,383,788
Cost of revenues	(157,009)	(104,786)	(24,590)	(286,385)
Depreciation and amortization	(7,276)	(15,919)	(59,048)	(82,243)
Impairment	(1,213,800)	-	-	(1,213,800)
Net (loss) income	(2,074,652)	87,816	24,806	(1,962,030)
Total assets	15,322,562	2,082,098	2,969,145	20,373,805
Capital expenditures for long-lived assets	\$ -	\$ 1,225	\$ 1,146	\$ 2,371

For the six months ended June 30, 2021 (Unaudited)

	<u>Hong Kong</u>	<u>Malaysia</u>	<u>China</u>	<u>Total</u>
Revenues	\$ 957,042	\$ 282,841	\$ 141,715	\$ 1,381,598
Cost of revenues	(83,452)	(98,958)	(14,466)	(196,876)
Depreciation and amortization	(6,149)	(16,819)	(61,701)	(84,669)
Net (loss) income	(6,937,224)	154,917	(279,092)	(7,061,399)
Total assets	19,943,054	1,168,435	4,152,000	25,263,489
Capital expenditures for long-lived assets	<u>\$ 8,165,225</u>	<u>\$ 2,079</u>	<u>\$ 2,279</u>	<u>\$ 8,169,583</u>

* Revenues and costs are attributed to countries based on the location where the entities operate.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The information contained in this Form 10-Q is intended to update the information contained in our Annual Report on Amendment No. 1 to Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission on July 18, 2022 (the “Form 10-K/A”) and presumes that readers have access to, and will have read, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other information contained in such Form 10-K/A. The following discussion and analysis also should be read together with our financial statements and the notes to the financial statements included elsewhere in this Form 10-Q.

The following discussion contains certain statements that may be deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements appear in several places in this Report, including, without limitation, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements are not guaranteed of future performance and involve risks, uncertainties and requirements that are difficult to predict or are beyond our control. Forward-looking statements speak only as of the date of this quarterly report. You should not put undue reliance on any forward-looking statements. We strongly encourage investors to carefully read the factors described in our Form 10-K/A in the section entitled “Risk Factors” for a description of certain risks that could, among other things, cause actual results to differ from these forward-looking statements. We assume no responsibility to update the forward-looking statements contained in this quarterly report on Form 10-Q. The following should also be read in conjunction with the unaudited Financial Statements and notes thereto that appear elsewhere in this report.

Company Overview

Greenpro Capital Corp. (the “Company” or “Greenpro”), was incorporated in the State of Nevada on July 19, 2013. We provide cross-border business solutions and accounting outsourcing services to small and medium-size businesses located in Asia, with an initial focus on Hong Kong, Malaysia, and China. Greenpro provides a range of services as a package solution to our clients, which we believe can assist our clients in reducing their business costs and improving their revenues.

In addition to our business solution services, we also operate a venture capital business through Greenpro Venture Capital Limited, an Anguilla corporation. One of our venture capital business segments is focused on (1) establishing a business incubator for start-up and high growth companies to support such companies during critical growth periods, which will include education and support services, and (2) searching for investment opportunities in selected start-up and high growth companies, which may generate significant returns to the Company. Our venture capital business is focused on companies located in Asia and Southeast Asia including Hong Kong, Malaysia, China, Thailand and Singapore. Another one of our venture capital business segments is focused on rental activities of commercial properties and the sale of investment properties.

Results of Operations

For information regarding our controls and procedures, see Part I, Item 4 - Controls and Procedures, of this Quarterly Report.

During the three and six months ended June 30, 2022 and 2021, we operated in three regions: Hong Kong, Malaysia and China. We derived revenue from the provision of services and sales or rental activities of our commercial properties.

The Company effected a 10:1 reverse split of its common stock on July 28, 2022.

Comparison of the three months ended June 30, 2022 and 2021

Total revenue

Total revenue was \$807,942 and \$792,025 for the three months ended June 30, 2022 and 2021, respectively. The increased amount of \$15,917 was primarily due to an increase in the revenue from our business services. We expect revenue from our business services segment to steadily improve as we expand our businesses into new territories and as the effects of the COVID-19 pandemic wane.

Service business revenue

Revenue from the provision of business services was \$777,552 and \$757,364 for the three months ended June 30, 2022 and 2021, respectively. It was derived principally from the provision of business consulting and advisory services as well as company secretarial, accounting, and financial analysis services. We experienced a slight increase in service revenue as some listing service obligations were completed during the three months ended June 30, 2022.

Real estate business

Sale of real estate properties

There was no revenue generated from the sale of real estate properties for the three months ended June 30, 2022 and 2021, respectively.

Rental revenue

Revenue from rentals was \$30,390 and \$34,661 for the three months ended June 30, 2022 and 2021, respectively. It was derived principally from leasing properties in Malaysia and Hong Kong. We believe our rental income will be stable in the near future.

Total operating costs and expenses

Total operating costs and expenses were \$1,112,610 and \$1,281,091 for the three months ended June 30, 2022 and 2021, respectively. They consist of cost-of-service revenue, cost of rental revenue, and general and administrative expenses.

Loss from operations for the three months ended June 30, 2022 and 2021 was \$304,668 and \$489,066, respectively. A decrease in loss from operations was mainly due to a decrease in general and administrative expenses of \$151,197.

Cost of service revenue

Cost of revenue on provision of services was \$72,068 and \$87,768 for the three months ended June 30, 2022 and 2021, respectively. It primarily consists of employee compensation and related payroll benefits, company formation costs, and other professional fees directly attributable to the services rendered.

A decrease of cost-of-service revenue was mainly due to a decrease of other professional fees directly attributable to the services for the three months ended June 30, 2022.

Cost of real estate properties sold

There was no cost incurred for the sale of real estate properties for the three months ended June 30, 2022 and 2021, respectively.

Cost of rental revenue

Cost of rental revenue was \$11,907 and \$13,491 for the three months ended June 30, 2022 and 2021, respectively. It includes the costs associated with governmental charges, repairs and maintenance, property management fees and insurance, depreciation, and other related administrative costs. Utility expenses are borne and paid directly by individual tenants. A slight decrease of cost of rental revenue was mainly due to a decrease in commission fees incurred for the three months ended June 30, 2022 as compared to the same fee incurred for the three months ended June 30, 2021.

General and administrative expenses

General and administrative (“G&A”) expenses were \$1,028,635 and \$1,179,832 for the three months ended June 30, 2022 and 2021, respectively. For the three months ended June 30, 2022, G&A expenses consisted primarily of employees’ salaries and allowances of \$381,974, directors’ salaries and compensation of \$162,995, advertising and promotion expenses of \$118,747, legal service fee of \$83,057, consulting fees of \$69,782, and other professional fees of \$51,129, respectively. We expect our G&A expenses will slightly increase as we integrate our business acquisitions, expand our existing business, and develop new markets in other regions.

Other income or expenses

Net other expenses were \$645,956 and \$274,557 for the three months ended June 30, 2022 and 2021, respectively. Impairment of other investment was \$677,400 for the three months ended June 30, 2022, while impairment of other investment was \$3,246,000 for the three months ended June 30, 2021. Fair value gains associated with warrants was \$3,503 for the three months ended June 30, 2022, while a loss on change in fair value of derivative liabilities was \$83,935 which was composed of fair value loss of options associated with convertible notes of \$143,200 and offset by a fair value gain associated with warrants of \$59,265 for the three months ended June 30, 2021. Interest expense was \$0 for the three months ended June 30, 2022, while interest expense was \$1,560,226 which mainly consisted of interest expense associated with convertible notes of \$1,540,977 for the three months ended June 30, 2021. Gain on extinguishment of convertible notes of \$1,611,379 and reversal of write-off notes receivable of \$3,000,000 were recorded for the three months ended June 30, 2021, but no such gain or reversal was recorded during the same period in 2022.

Interest expenses

Total interest expenses were \$0 and \$1,560,226 for the three months ended June 30, 2022 and 2021, respectively.

On October 13, 2020, the Company issued three unsecured promissory notes to Streeterville Capital, LLC, FirstFire Global Opportunities Fund, LLC and Granite Global Value Investments Ltd. (collectively, the “Investors”), respectively. The Company issued another unsecured promissory note to Streeterville Capital, LLC (“Streeterville”) on January 8, 2021 and February 11, 2021, respectively. Interest expenses related to the convertible promissory notes totaled \$1,540,977 for the three months ended June 30, 2021, which included coupon interest expense of \$188,717, amortization of discount on convertible notes of \$89,281, amortization of debt issuance costs of \$32,029, interest expense associated with conversion of notes of \$995,312 and additional charge for early redemption of \$235,638.

Net loss

Net loss was \$952,160 and \$766,257 for the three months ended June 30, 2022 and 2021, respectively. An increase in net loss was mainly due to a decrease in other income in three months ended June 30, 2022.

Net income or loss attributable to noncontrolling interest

The Company records net income or loss attributable to noncontrolling interest in the consolidated statements of operations for any noncontrolling interest of consolidated subsidiaries.

For the three months ended June 30, 2022, the Company recorded net loss attributable to a noncontrolling interest of \$6,380, as compared to net income attributable to a noncontrolling interest of \$4,597 for the three months ended June 30, 2021.

Comparison of the six months ended June 30, 2022 and 2021

Total revenue

Total revenue was \$1,383,788 and \$1,381,598 for the six months ended June 30, 2022 and 2021, respectively. A slight increase of revenue was mainly due to the sale of one-unit real estate property of \$186,873 and offset by a decreased service revenue of \$184,114. We expect revenue from our business services segment to steadily improve as we expand our businesses into new territories and as the effects of the COVID-19 pandemic wane.

Service business revenue

Revenue from the provision of business services was \$1,132,585 and \$1,316,699 for the six months ended June 30, 2022 and 2021, respectively. It was derived principally from business consulting and advisory services as well as company secretarial, accounting, and financial analysis services. We experienced decreased revenue of \$184,114, mainly due to a decrease of revenue from listing services for the six months ended June 30, 2022 in comparison with the same period in 2021.

Real estate business

Sale of real estate properties

Revenue from the sale of real estate property was \$186,873 for the six months ended June 30, 2022, which was derived from the sale of one commercial property located in Hong Kong. There was no revenue generated from the sale of real estate property for the six months ended June 30, 2021.

Rental revenue

Revenue from rentals was \$64,330 and \$64,899 for the six months ended June 30, 2022 and 2021, respectively. It was derived principally from leasing properties in Malaysia and Hong Kong. We believe our rental income will be stable in the near future.

Total operating costs and expenses

Total operating costs and expenses were \$2,219,159 and \$2,757,962 for the six months ended June 30, 2022 and 2021, respectively. They consist of cost-of-service revenue, cost of real estate properties sold, cost of rental revenue and G&A expenses. The Company incurred \$1,932,774 and \$2,561,086 of G&A expenses for the six months ended June 30, 2022 and 2021, respectively.

Cost of service revenue

Cost of revenue on provision of services were \$136,344 and \$171,570 for the six months ended June 30, 2022 and 2021, respectively. It primarily consists of employee compensation and related payroll benefits, company formation costs, and other professional fees directly attributable to the services rendered. A decrease of cost-of-service revenue was mainly due to a decrease of other professional fees directly attributable to the services for the six months ended June 30, 2022.

Cost of real estate properties sold

Cost of revenue on real estate property sold was \$127,341 for the six months ended June 30, 2022. It primarily consisted of the purchase price of property, legal fees, improvement costs to the building structure, and other acquisition costs. Selling and advertising costs are expensed as incurred. There was no revenue generated from the sale of real estate property for the six months ended June 30, 2021, hence no cost was recorded.

Cost of rental revenue

Cost of rental revenue was \$22,700 and \$25,306 for the six months ended June 30, 2022 and 2021, respectively. It includes the costs associated with governmental charges, repairs and maintenance, property management fees and insurance, depreciation, and other related administrative costs. Utility expenses are borne and paid directly by individual tenants. A slight decrease of cost of rental revenue was mainly due to a decrease in commission fees incurred for the six months ended June 30, 2022 as compared to the same fees incurred for the six months ended June 30, 2021.

General and administrative expenses

G&A expenses were \$1,932,774 and \$2,561,086 for the six months ended June 30, 2022 and 2021, respectively. For the six months ended June 30, 2022, G&A expenses consisted primarily of employees' salaries and allowances of \$728,710, directors' salaries and compensation of \$326,639, advertising and promotion expenses of \$156,456, consulting fee of \$131,569, legal service fee of \$127,732, and other professional fee of \$114,517, respectively. We expect our G&A expenses will slightly increase as we integrate our business acquisitions, expand our existing business, and develop new markets in other regions.

Other income or expenses

Net other expenses were \$1,125,123 and \$5,682,401 for the six months ended June 30, 2022 and 2021, respectively. Impairment of other investment was \$1,213,800 for the six months ended June 30, 2022, while impairment of the same investment was \$3,246,000 for the six months ended June 30, 2021. Gain on change in fair value associated with warrants was \$9,405 for the six months ended June 30, 2022, while a gain on change in fair value of derivative liabilities was \$5,133,464 which was composed of a fair value gain of options associated with convertible notes of \$5,093,720 and a fair value gain associated with warrants of \$39,744 for the six months ended June 30, 2021. No interest expense was incurred for the six months ended June 30, 2022, as compared to interest expense of \$12,187,264 which mainly consisted of interest expense associated convertible notes of \$12,148,688 for the six months ended June 30, 2021. Gain on extinguishment of convertible notes of \$1,611,379 and reversal of write-off notes receivable of \$3,000,000 were recorded for the six months ended June 30, 2021, but no such gain or reversal was recorded during the same period in 2022.

Interest expenses

Total interest expenses were \$0 and \$12,187,264 for the six months ended June 30, 2022 and 2021, respectively.

On October 13, 2020, the Company issued three unsecured promissory notes to Streeterville Capital, LLC, FirstFire Global Opportunities Fund, LLC and Granite Global Value Investments Ltd. (collectively, the "Investors"), respectively. The Company issued another unsecured promissory note to Streeterville Capital, LLC ("Streeterville") on January 8, 2021 and February 11, 2021, respectively. Interest expenses related to the convertible promissory notes totaled \$12,148,688 for the six months ended June 30, 2021, which included coupon interest expense of \$328,409, amortization of discount on convertible notes of \$160,077, amortization of debt issuance costs of \$56,959, interest expense associated with conversion of notes of \$1,700,909, interest expense associated with accretion of convertible notes payable of \$8,561,440, interest expense due to non-fulfillment of use of proceeds requirements of \$1,105,256 and additional charge for early redemption of \$235,638.

Net Loss

Net loss was \$1,962,030 and \$7,061,399 for the six months ended June 30, 2022 and 2021, respectively. A decrease in net loss was mainly due to a decrease of G&A expenses, interest expenses associated with the aforementioned convertible promissory notes and an impairment loss of other investments.

Net income or loss attributable to noncontrolling interest

We record net income or loss attributable to noncontrolling interest in the consolidated statements of operations for any noncontrolling interest of consolidated subsidiaries.

At June 30, 2022, the noncontrolling interest is related to Forward Win International Limited ("FWIL"), which the Company owns a 60% interest in FWIL and the noncontrolling shareholders own the remaining 40% interest of FWIL.

For the six months ended June 30, 2022 and 2021, we recorded net income attributable to a noncontrolling interest of \$17,432 and \$7,975, respectively.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

Other than as disclosed elsewhere in this Quarterly Report, we are not aware of any trends, uncertainties, demands, commitments or events for the six months ended June 30, 2022 that are reasonably likely to have a material adverse effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

Off Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our stockholders as of June 30, 2022.

Contractual Obligations

As of June 30, 2022, one of our subsidiaries leases one office in Hong Kong under a non-cancellable operating lease, with a term of two years commencing from March 15, 2021 to March 14, 2023. One of the Malaysian subsidiaries leases an office in Kuala Lumpur and the other Malaysian subsidiary leases one office in Labuan, which are under a separate non-cancellable operating lease with terms of one year, from April 1, 2022 to March 31, 2023, and from June 15, 2022 to June 14, 2023, respectively. As of June 30, 2022, the future minimum rental payments under these leases in the aggregate are approximately \$81,438 and are due as follows: 2022: \$56,085 and 2023: \$25,353.

Related Party Transactions

Net accounts receivable due from related parties was \$0 and \$41 as of June 30, 2022 and December 31, 2021, respectively. Other receivable due from related parties was \$1,230,661 and \$1,170,855 as of June 30, 2022 and December 31, 2021, respectively. Amounts due to related parties were \$716,996 and \$757,283 as of June 30, 2022 and December 31, 2021, respectively.

For the six months ended June 30, 2022 and 2021, related party service revenue totaled \$507,171 and \$664,989, respectively.

General and administrative (“G&A”) expenses to related parties were \$36,228 and \$6,973 for the six months ended June 30, 2022 and 2021, respectively. Impairment of investment in a related party was \$1,213,800 and \$3,246,000 for the six months ended June 30, 2022 and 2021, respectively.

Our related parties are primarily those companies where we own a certain percentage of shares of such companies, and companies that we have determined that we can significantly influence based on our common business relationships. Refer to Note 7 to the Condensed Consolidated Financial Statements for additional details regarding the related party transactions.

Critical Accounting Policies and Estimates

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates include certain assumptions related to, among others, the allowance for doubtful accounts receivable, impairment analysis of real estate assets and other long-term assets including goodwill, valuation allowance on deferred income taxes, and the accrual of potential liabilities. Actual results may differ from these estimates.

Revenue recognition

The Company follows the guidance of Accounting Standards Codification (ASC) 606, Revenue from Contracts. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

The Company’s revenue consists of revenue from providing business consulting and corporate advisory services (“service revenue”), revenue from the sale of real estate properties, and revenue from the rental of real estate properties.

Impairment of long-lived assets

Long-lived assets primarily include real estate held for investment, property and equipment, and intangible assets. In accordance with the provision of ASC 360, the Company generally conducts its annual impairment evaluation of its long-lived assets in the fourth quarter of each year, or more frequently if indicators of impairment exist, such as a significant sustained change in the business climate. The recoverability of long-lived assets is measured at the reporting unit level. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset. In addition, for real estate held for sale, an impairment loss is the adjustment to fair value less estimated cost to dispose of the asset.

Goodwill

Goodwill is the excess of cost of an acquired entity over the fair value of amounts assigned to assets acquired and liabilities assumed in a business combination. Under the guidance of ASC 350, goodwill is not amortized, rather it is tested for impairment annually, and will be tested for impairment between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. An impairment loss generally would be recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit and would be measured as the excess carrying value of goodwill over the derived fair value of goodwill. The Company's policy is to perform its annual impairment testing for its reporting units on December 31, of each fiscal year.

Derivative financial instruments

Derivative financial instruments consist of financial instruments that contain a notional amount and one or more underlying variables such as interest rate, security price, variable conversion rate or other variables, require no initial net investment and permit net settlement. The derivative financial instruments may be free-standing or embedded in other financial instruments. The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company follows the provision of ASC 815, Derivatives and Hedging for derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. At each reporting date, the Company reviews its convertible securities to determine that their classification is appropriate.

Recent accounting pronouncements

Refer to Note 1 in the accompanying financial statements.

Liquidity and Capital Resources

Our cash and cash equivalents at June 30, 2022 were \$4,094,007, while at December 31, 2021, the cash and cash equivalents were \$5,338,571. It was decreased by \$1,244,564. We estimate the Company currently has sufficient cash available to meet its anticipated working capital for the next twelve months.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. During the six months ended June 30, 2022, the Company incurred a net loss of \$1,962,030 and net cash used in operations of \$1,364,723. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year of the date that the financial statements are issued. In addition, the Company's independent registered public accounting firm, in its report on the Company's December 31, 2021 financial statements, has expressed substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon improving its profitability and the continuing financial support from its shareholders. Management believes the existing shareholders or external financing will provide the additional cash to meet the Company's obligations as they become due.

Despite the amount of funds that the Company has raised, no assurance can be given that any future financing, if needed, will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, if needed, it may contain undue restrictions on its operations, in the case of debt financing, or cause substantial dilution for its shareholders, in the case of equity financing.

Operating activities

Net cash used in operating activities was \$1,364,723 and \$1,294,682 for the six months ended June 30, 2022 and 2021, respectively. The cash used in operating activities in 2022 primarily consisted of a net loss for the period of \$1,962,030, an increase in prepayments and other current assets of \$434,859 and a decrease in accounts payable and accrued liabilities of \$447,066 and offset by impairment of other investment of \$1,213,800 and an increase in deferred revenue of \$319,412. For the six months ended June 30, 2022, non-cash adjustments totaled \$1,269,975, which was mostly composed of non-cash expenses of impairment of other investment of \$1,213,800.

Investing activities

Net cash provided by investing activities for the six months ended June 30, 2022 was \$180,590, as compared to net cash used in investing activities of \$38,583 for the six months ended June 30, 2021.

Financing activities

Net cash used in financing activities for the six months ended June 30, 2022 was \$93,768, as compared to net cash provided by financing activities of \$6,982,991 for the six months ended June 30, 2021.

The cash used in financing activities in 2022 was advances to related parties of \$93,768.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a “smaller reporting company” as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (“Exchange Act”). Based on such evaluation, our principal executive officer and principal financial officer have concluded that the disclosure controls and procedures were effective as of June 30, 2022 to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the U.S. Securities and Exchange Commission’s (“SEC”) rules and forms, and to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting for the six months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including each of our Chief Executive Officer and Chief Financial Officer, intends that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

On August 24, 2021, Plaintiff Millennium Fine Art Inc. (“MFAI”) filed a Complaint against the Company, alleging that on or about April 21, 2021, MFAI and the Company entered into a contract (the “Contract”), by which MFAI agreed to create 7,700 non-fungible tokens (“NFT”) in exchange for sixteen million dollars (\$16,000,000) worth of shares of the Company. MFAI claims that the Company breached the Contract by refusing delivery of the NFTs and not delivering \$16 million worth of shares to MFAI. The Complaint asserts causes of action for breach of contract, special damages and promissory estoppel, and seeks sixty-six million dollars (\$66,000,000) in damages, specific performance by Company according to the terms of the Contract, and MFAI’s attorney’s fees and costs.

On October 18, 2021, the Company filed a motion, denying all the material allegations of the Complaint, and seeking to stay the case and compel arbitration pursuant to the purported Contract. In its motion, the Company only sought to enforce the terms of the Contract as it relates to arbitration, but otherwise denied the existence of a valid and binding contract. Over MFAI’s opposition, the Court granted the Company’s motion, and stayed the case, pending the resolution of the Parties’ arbitration of the dispute.

On or about April 1, 2022, MFAI filed a Request for Arbitration with Judicial Arbitration and Mediation Services, Inc. (JAMS) dispute resolution services, and on May 2, 2022, the Company filed a Statement of Defense to MFAI’s complaint, in which it denied all principle allegations.

The Parties agreed to an arbitrator to arbitrate the dispute, and on June 20, 2022, pursuant to his Order, submitted a Proposed Joint Scheduling Order to set discovery deadlines and a hearing date, which the arbitrator accepted. In accordance with the Scheduling Order, the Parties have exchanged initial discovery. The current deadline for fact discovery is December 16, 2022, and the hearing has been set for July 14, 2023.

Item 1A. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit No.	Description
31.1	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal executive officer
31.2	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal financial officer
32.1	Section 1350 Certification of principal executive officer
32.2	Section 1350 Certification of principal financial officer and principal accounting officer
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Greenpro Capital Corp.

Date: August 12, 2022

By: /s/ Lee Chong Kuang

Lee Chong Kuang
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 12, 2022

By: /s/ Loke Che Chan, Gilbert

Loke Che Chan, Gilbert
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION

I, LEE CHONG KUANG, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greenpro Capital Corp. (the “Company”) for the quarter ended June 30, 2022;
2. Based on my knowledge, this quarterly 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 13a-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 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;
5. The registrant’s other certifying officer 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 control 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.

Date: August 12, 2022

By: /s/ Lee Chong Kuang
Title: Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, LOKE CHE CHAN, GILBERT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greenpro Capital Corp. (the “Company”) for the quarter ended June 30, 2022;
2. Based on my knowledge, this quarterly 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 13a-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 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;
5. The registrant’s other certifying officer 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 control 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

Date: August 12, 2022

By: /s/ Loke Che Chan, Gilbert
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION 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 Quarterly Report of Greenpro Capital Corp. (the "Company") on Form 10-Q for the period ending June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), The undersigned hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 12, 2022

By: /s/ Lee Chong Kuang

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION 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 Quarterly Report of Greenpro Capital Corp. (the "Company") on Form 10-Q for the period ending June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), The undersigned hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 12, 2022

By: /s/ Loke Che Chan, Gilbert

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)
