PORTER HOLDING INTERNATIONAL, INC.

FORM 10-Q
(Quarterly Report)

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Telephone	86-755-22230580
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SIC Code	5810 - Retail-Eating and Drinking Places
Industry	Non-Alcoholic Beverages
Sector	Consumer Non-Cyclicals
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10−Q

(Mark One)

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

For the quarterly period ended: **June 30, 2018**

☐ **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: 333-196336

PORTER HOLDING INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**4 2 - 1777496**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

36th Floor, Shenzhen Development Center, #2010, Renmin South Road
Luohu District, Shenzhen, Guangdong, China, 518001
(Address of principal executive offices, Zip Code)

+8 6 - 755-22230 666
(Registrant's telephone number, including area code)

____
(Former name, former address and former fiscal year, if changed since last report)

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	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 ☒

The number of shares outstanding of each of the issuer's classes of common stock, as of August 10, 2018 is as follows:

Class of Securities	Shares Outstanding
Common Stock, $0.001 par value	508,110,000

PORTER HOLDING INTERNATIONAL, INC.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PORTER HOLDING INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 201 8 AND 201 7

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PORTER HOLDING INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In U.S. dollars)

	June 30, 201 8	December 31, 201 7
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 238,659	$ 240,072
Accounts receivable, net of nil allowance for doubtful accounts	316,307	30,064
Prepayments and other receivables	110,721	163,852
Total current assets	665,687	433,988
NON-CURRENT ASSETS		
Long-term rental deposits	38,043	38,538
Property, plant and equipment, net	66,217	11,190
Intangible assets, net	34,223	36,747
Total non-current assets	138,483	86,475
TOTAL ASSETS	$ 804,170	$ 520,463
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 31,311	$ 40,757
Accruals and other payables	164,420	186,387
Deferred revenue	478,883	-
Income tax payable	533	694
Amounts due to shareholders	2,533,745	964,076
Amounts due to related parties	-	1,411,547
Total current liabilities	3,208,892	2,603,461
TOTAL LIABILITIES	3,208,892	2,603,461
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DECIFICT		
Preferred stock, par value $0.001 per share 250,000,000 shares authorized and nil shares issued as of June 30, 2018 and December 31, 2017	-	-
Common stock, par value $0.001 per share; 750,000,000 shares authorized, 508,110,000 shares issued and outstanding as of March 31, 2018 and December 31, 2017	508,110	508,110
Additional paid-in capital	400,561	400,561
Accumulated deficit	(3,399,534)	(3,033,438)
Accumulated other comprehensive income	86,141	41,769
Total stockholders' deficit	(2,404,722)	(2,082,998)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 804,170	$ 520,463

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

PORTER HOLDING INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(Unaudited)
(In U.S. dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
REVENUE	$ 539,014	$ 1,347,760	$ 582,380	$ 1,484,726
COST OF REVENUE	(46,559)	(1,500,937)	(66,152)	(1,564,304)
GROSS PROFIT/(LOSS)	492,455	(153,177)	516,228	(79,578)
OPERATING EXPENSES				
General and administrative expenses	(471,301)	(335,455)	(882,645)	(727,712)
Total operating expenses	(471,301)	(335,455)	(882,645)	(727,712)
PROFIT/(LOSS) FROM OPERATIONS	21,154	(488,632)	(366,417)	(807,290)
OTHER INCOME / (EXPENSE), NET				
Other income/(expense)	105	(11,896)	161	(10,878)
Total other expense, net	105	(11,896)	161	(10,878)
NET PROFIT/(LOSS) BEFORE TAXES	21,259	(500,528)	(366,256)	(818,168)
Income tax benefit/(expense)	247	(308)	160	(826)
NET PROFIT/(LOSS)	21,506	(500,836)	(366,096)	(818,994)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation gain (loss)	134,454	(21,281)	44,372	(9,132)
TOTAL COMPREHENSIVE INCOME/(LOSS)	$ 155,960	$ (522,117)	$ (321,724)	$ (828,126)
Basic and diluted earnings/(loss) per share	$ -	$ -	$ -	$ -
Weighted average number of common shares outstanding- basic and diluted	508,110,000	508,110,000	508,110,000	480,485,691

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

PORTER HOLDING INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In U.S. dollars)

	Six Months Ended June 30 , 201 8	Six Months Ended June 30 , 201 7
Cash flows from operating activities		
Net loss	$ (366,096)	$ (818,994)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	7,315	1,685
Loss on disposal of property, plant and equipment	116	-
Changes in assets and liabilities		
Accounts receivable	(298,512)	(343)
Prepayments and other receivables	3,594	133,791
Accounts payable	(59,514)	(19,456)
Accruals and other payables	1,462	28,102
Deferred revenue	475,979	-
Tax payable	(160)	-
Net cash used in operating activities	(235,816)	(675,215)
Cash flows from investing activities		
Purchase of property, plant and equipment	(62,626)	(5,825)
Purchase of investments	(196,248)	(1,244,596)
Proceeds from disposal of investments	196,248	1,091,751
Repayment from related parties	-	94,948
Net cash used in investing activities	(62,626)	(63,722)
Cash flows from financing activities		
Advances from related parties	101,334	-
Repayment to related parties	(1,449,397)	(286,716)
Advances from shareholders	1,643,895	704,424
Net cash provided by financing activities	295,832	417,708
Effect of exchange rates on cash	1,197	19,107
Net decrease in cash and cash equivalents	(1,413)	(302,122)
Cash and cash equivalents at beginning of p eriod	240,072	1,018,313
Cash and cash equivalents at end of period	$ 238,659	$ 716,191
Supplemental of cash flow information		
Cash paid for interest expenses	$ -	$ -
Cash paid for income tax	$ -	$ 1,311

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

PORTER HOLDING INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018
(Unaudited)
(In U.S. dollars)

1. ORGANIZATION AND BUSINESS

Porter Holding International, Inc. ("ULNV" or the "Company") was incorporated in the State of Nevada on September 5, 2013.

The Company's original business plan was to sell freshly squeezed juices from mobile stands in London, United Kingdom, but this business was not successful and we did not generate any revenue from this business.

On December 16, 2016, the Company entered into a share purchase agreement (the "Purchase Agreement") with Porter Group Limited ("PGL") to acquire all issued and outstanding shares of PGL. Under the terms of the Purchase Agreement, the Company agreed to issue 500,000,000 shares of its common stock to the owners of the PGL ("the share exchange").

Porter Group Limited ("PGL") was incorporated in the Republic of Seychelles on October 13, 2016, and is a holding company. PGL owns 100% of Porter Perspective Business Group Limited, a company incorporated in Hong Kong ("PPBGL") which in turn owns 100% of Shenzhen Qianhai Porter Industrial Co. Ltd. ("Qianhai Porter"), a company incorporated in the People's Republic of China (the "PRC").

On December 15, 2016, Qianhai Porter, Shenzhen Portercity Investment Management Co. Ltd. (a company incorporated in the PRC; "Portercity") and Mr Zonghua Chen and Ms Xiaomei Xiong, the shareholders (the "Shareholders") of Portercity entered into commercial arrangements, or collectively, VIE Agreements, pursuant to which PGL has contractual rights to control and operate the businesses of Portercity and its three operating wholly-owned subsidiaries incorporated in the PRC (together with Weifang Portercity, collectively the "VIE Entities"):

(a) Shenzhen Porter Warehouse E-Commerce Co. Ltd. ("Porter E-Commerce");

(b) Shenzhen Yihuilian Information Consulting Co. Ltd. ("Porter Consulting"); and

(c) Shenzhen Porter Commercial Perspective Network Co. Ltd. ("Porter Commercial").

The VIE Agreements entered into by and between Qianhai Porter, Portercity and the Shareholders are as follows:

- Pursuant to a commission management and consulting services agreement, or the Service Agreement, Qianhai Porter agreed to act as the exclusive management and advisory consultant of Portercity and provide client management, marketing promotion counseling, corporate management and counseling, finance counseling and personnel training services to Portercity. In exchange, Portercity agreed to pay Qianhai Porter a management and consulting fee to be equivalent to the amount of net profit before tax of Portercity;

- Pursuant to an exclusive right and option to purchase agreement, or the Option Agreement, the shareholders of Portercity granted to Qianhai Porter the exclusive right and option to purchase, at any time during the term of the Option Agreement, all of the assets of and equity interests shares in Portercity, at the exercise price equal to the lowest possible price permitted by Chinese laws;

- Pursuant to a shareholders' voting rights proxy agreement, or the Voting Rights Agreement, each of the shareholders of Portercity irrevocably appointed the representatives designated by Qianhai Porter to exercise its exclusive voting right of shareholders in the general meeting of shareholders of Portercity; and

- Pursuant to an equity interest pledge agreement, the Pledge Agreement, the shareholders of Portercity pledged all of the equity interests in Portercity and any and all legitimate income generated from such equity interests to Qianhai Porter to ensure the rights, privileges and concessions of Qianhai Porter under this and the above contractual arrangements.

As a result of the above contractual arrangements, or the Contractual Arrangements, PGL has substantial control over the VIE Entities' daily operations and financial affairs, election of their senior executives and all matters requiring shareholder approval. Furthermore, as the primary beneficiary of the VIE Entities, the Company is entitled to consolidate the financial results of the VIE Entities in its own consolidated financial statements under Financial Accounting Standards Board Accounting Standard Codification (ASC) Topic 810 and related subtopics related to the consolidation of variable interest entities, or ASC Topic 810.

The Company completed the following transactions:

1. The formation of PGL, a Seychelles holding company, was completed in October 13, 2016. The share capital of the Company is $50,000 divided into 500,000,000 ordinary shares of $0.0001 par value each. On December 6, 2016, the authorized and issued capital of PGL increased to $725,000 divided into 7,250,000,000 shares with a par value of $0.0001 each. PGL is owned and controlled by the same control group as PPBGL and Portercity, including Mr Zonghua Chen and Mr. Maozi Cong.

2. On November 29, 2016, Mr Zongjian Chen, the sole shareholder of PPBGL, transferred 100% of the outstanding shares of PPBGL to PGL. The Share Transfer has been accounted for as a common control transaction. Other than its 100% ownership of PPBGL, PGL has no significant assets and no other business operations.

Organization and reorganization

PPBGL was incorporated in Hong Kong on September 21, 2016 as a company with limited liability as an investment holding company. Upon incorporation, PPBGL issued 1 ordinary share at HK$1. Also on September 21, 2016, an additional 9,999 ordinary shares were issued, and Mr Zongjian Chen held all the 10,000 ordinary shares of PPBGL on behalf of the original investors of Portercity. At this time, PPBGL was controlled by Mr Zongjian Chen and other investors had no significant assets or business operations.

Qianhai Porter was incorporated in the PRC as a wholly foreign-owned enterprise ("WFOE") with limited liability on November 21, 2016. Qianhai Porter was set up by PPBGL. Qianhai Porter was incorporated to control the shareholders' voting interests in Portercity and become the primary beneficiary of Portercity and its wholly owned subsidiaries, Porter E-Commerce, Porter Consulting and Porter Commercial.

Portercity was held by Mr Zonghua Chen (brother of Mr Zongjian Chen) and Ms Xiaomei Xiong (spouse of Mr Zongjian Chen) on behalf of other investors, including Mr Zonghua Chen himself and Mr. Maozi Cong.

On December 15, 2016, Qianhai Porter, Portercity and the Shareholders of Portercity entered into the abovementioned VIE Agreements, pursuant to which the Company has contractual rights to control and operate the businesses of Portercity and its wholly owned subsidiaries. The change in control of Portercity and the acquisition of PPBGL by PGL have been accounted for as common control transactions in a manner similar to a pooling of interests and there was no recognition of any goodwill or excess of the acquirers' interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combinations. Therefore, these transactions were recorded at historical cost with a reclassification of equity from retained profits to additional paid in capital to reflect the deemed value of consideration given in the local jurisdiction and the capital structure of Portercity. The consolidated financial statements of the Company include all of the accounts of the Company and its subsidiaries, PPBGL and Qianhai Porter and VIE Entities (except for Porter Consulting, as explained below) for all periods presented. All material intercompany transactions and balances have been eliminated in the consolidation.

On December 1, 2016, Portercity acquired a 100% equity interest in Porter Consulting from Shenzhen Porter Holdings Limited, for a cash consideration of $144,154 (RMB1,000,000). The consideration was credited against the amount due to Shenzhen Porter Holdings Limited as fully paid.

On December 16, 2016, the Company entered into a share purchase agreement (the "Purchase Agreement") with PGL to acquire all the issued and outstanding shares of PGL. Under the terms of the Purchase Agreement, the Company agreed to issue 500,000,000 shares of its common stock to the owners of PGL ("the share exchange"). Pursuant to the terms of the Purchase Agreement, the Company issued 500,000,000 shares of the Company's common stock to the shareholders of PGL on January 10, 2017, among which, 30,000,000 shares were issued to our Chief Executive Officer, President and Chairman, Mr. Zonghua Chen and 15,000,000 shares issued to our director, Mr. Maozi Cong. All 500,000,000 shares issued in January 2017 pursuant to the Purchase Agreement were held in escrow and deemed to be in the full control of ULNV until the closing.

On April 7, 2017, ULNV filed a Current Report on Form 8-K with the Securities and Exchange Commission ("SEC") announcing the completion of a business combination between ULNV and PGL in accordance with the terms of the Purchase Agreement. As a result of the transaction, PGL became a wholly-owned subsidiary of UNLV and the shareholders of PGL became the holders of approximately 98.4% of UNLV's issued and outstanding capital stock on a fully-diluted basis. For financial accounting purposes, the share exchange is accounted for as a reverse acquisition by PGL, and resulted in a recapitalization, with PGL, being the accounting acquirer and the Company, as the acquired entity (accounting acquiree). The accompanying condensed consolidated financial statements are in substance those of PGL, with the assets and liabilities, and revenues and expenses, of the Company being included effective from the date of the reverse acquisition. The Company is deemed to be a continuation of the business of PGL.

Accordingly, the accompanying condensed consolidated financial statements include the following:

(1) the balance sheet consists of the net assets of the accounting acquirer at historical cost and the net assets of the accounting acquiree at historical cost;

(2) the financial position, results of operations, and cash flows of the accounting acquirer for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree from the date of share exchange transaction.

On April 7, 2017, the Company changed its fiscal year end from February 28 to December 31. This change is being effectuated in connection with the aforementioned reverse acquisition transaction.

In May 2017, the Company's name was changed from Uni Line Corp. to Porter Holding International, Inc. to more accurately reflect its new business.

On June 28, 2018, Portercity and Mr Zhibo Mao established Weifang Porter City Commercial Management Company Limited ("Weifang Portercity") in Weifang, Shandong Province, the PRC. Portercity and Mr Zhibo Mao hold 60% and 40% equity interest in Weifang Portercity, respectively.

After the reverse acquisition, the Company and its subsidiaries and VIE entities (collectively referred to as the "Company") focus its business as an innovative O2O (Online to Offline) business platform operator covering both online E-commerce and offline commercial chain entity of three dimensional synchronous operation together with integrated comprehensive services for merchant clients. Starting from the second quarter of 2018, the Company provides investment and corporate management consulting services to its clients.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with United States of America generally accepted accounting principles ("U.S. GAAP"). The consolidated financial statements include the financial statements of the Company and its subsidiaries and its variable interest entities. All significant inter-company transactions and balances have been eliminated in consolidation.

The interim condensed consolidated financial information as of June 30, 2018 and for the three and six month periods ended June 30, 2018 and 2017 have been prepared without audit, pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures, which are normally included in consolidated financial statements prepared in accordance with U.S. GAAP have not been included. The interim condensed consolidated financial information should be read in conjunction with the Consolidated Financial Statements and the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, previously filed with the SEC on March 30, 2018.

In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these condensed consolidated financial statements, which are of a normal and recurring nature, have been included. The results reported in the condensed consolidated financial statements for any interim periods are not necessarily indicative of the results that may be reported for the entire year.

Going Concern

The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has incurred losses resulting in an accumulated deficit of $3,399,534 as of June 30, 2018, and it currently has net working capital deficit of $2,543,205. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. The Company may have to rely on additional debt financing, loans from existing directors and shareholders and private placements of capital stock for additional funding. There can be no assurance that the Company will be successful in its plans described above or in attracting equity or alternative financing on acceptable terms, or if at all.

These condensed consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of these financial statements requires management of the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an on-going basis, the Company evaluates its estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Identified below are the accounting policies that reflect the Company’s most significant estimates and judgments, and those that the Company believes are the most critical to fully understanding and evaluating its consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries and consolidated VIEs. All significant inter-company balances and transactions have been eliminated upon consolidation.

VIE Consolidation

The Company’s VIEs are wholly owned by Mr Zonghua Chen and Ms Xiaomei Xiong as nominee shareholders. For consolidated VIEs, management made evaluations of the relationships between the Company and the VIEs and the economic benefit flow of contractual arrangements with the VIEs. In connection with such evaluation, management also took into account the fact that, as a result of such contractual arrangements, the Company controls the shareholders’ voting interests in these VIEs. As a result of such evaluation, management concluded that the Company is the primary beneficiary of its consolidated VIEs.

PRC laws and regulations prohibit or restrict foreign ownership of companies that operate Internet information and content, Internet access, online games, mobile, value added telecommunications and certain other businesses in which the Company is engaged or could be deemed to be engaged. Consequently, the Company conducts certain of its operations and businesses in the PRC through its VIEs. The Company consolidates in its consolidated financial statements all of the VIEs of which the Company is the primary beneficiary.

The following financial information of the Company's consolidated VIEs (including subsidiary of VIEs) is included in the accompanying consolidated financial statements:

	June 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 70,396	$ 163,083
Accounts receivable, net	316,307	30,064
Prepayments and other receivables	110,377	163,498
Due from holding company	95,913	-
Total current assets	592,993	356,645
NON-CURRENT ASSETS		
Long-term rental deposits	38,043	38,538
Property, plant and equipment, net	64,130	11,190
Intangible assets, net	34,223	36,747
Total non-current assets	136,396	86,475
TOTAL ASSETS	$ 729,389	$ 443,120
CURRENT LIABILITIES		
Accounts payable	31,311	40,757
Accruals and other payables	76,708	60,041
Deferred revenue	478,883	-
Taxation payable	533	694
Amount due to Qianhai Porter	152,153	570,837
Amounts due to shareholders of the Company	2,519,221	756,662
Amounts due to related parties	-	1,411,547
TOTAL LIABILITIES	$ 3,258,809	$ 2,840,538

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Net revenue	$ 539,014	$ 1,347,760	$ 582,380	$ 1,484,726
Net profit/ (loss)	$ 136,147	$ (403,755)	$ (168,481)	$ (686,852)

	Six months ended June 30,	
	2018	2017
Net cash used in operating activities	$ (58)	$ (25,497)
Net cash used in investing activities	(60,271)	(95,402)
Net cash (used in)/generated from financing activities	(33,816)	113,650

Revenue Recognition

Under the new revenue standards, the Company recognizes revenues when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognizes revenues following the five step model prescribed under ASU No. 2014-09: (i) identify contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenues when (or as) the Company satisfies the performance obligation.

Revenues are recognized when control of the promised goods or services is transferred to our customers, which may occur at a point in time or over time depending on the terms and conditions of the agreement, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

The Company via Porter Consulting earns commissions of $58,224 and $99,189 for the three and three months ended June 30, 2018 respectively, primarily from a third-party payment service provider when China UnionPay card transactions are completed and settled. Commissions of $106,352 and $200,523 were earned for the three and six months ended June 30, 2017, respectively

The third-party payment provider is a China UnionPay card acquiring institution and earns processing fees from China UnionPay card transactions. The Company's performance obligation is to promote, via Porter Consulting, the payment service of the third-party payment service provider to merchants in Shenzhen, for which the Company shares a portion of the processing fees earned by the third-party payment service provider from China UnionPay, as commission.

Service income from organizing and delivering an event and forum to the Company's merchant clients in May 2017, totaled $1,215,426 and $1,243,624 for the three and six months ended June 30, 2017, is recognized when the service is performed. No such income was earned in 2018.

Starting from the second quarter of 2018, the Company via Portercity provides various consulting services to its clients, especially to those who have the intention to be publicly listed in the stock exchanges in the United States and other countries. The Company categorizes its consulting services into three phases:

Phase I consulting services primarily include due diligence review, market research and feasibility study, business plan drafting, accounting record review, and business analysis and recommendations etc. Management estimates that Phase I normally takes around three months to complete based on its past experiences.

Phase II consulting services primarily include reorganization, pre-listing education and tutoring, talent search, legal and audit firm recommendation and coordination, VIE contracts and other public-listing related documents review, merger and acquisition planning, investor referral and pre-listing equity financing source identification and recommendation, independent directors and audit committee candidates recommendation etc. Management estimates that Phase II normally takes about five months to complete based its past experiences.

Phase III consulting services primarily include shell company identification and recommendation for customers expecting to become publicly listed through reverse merger transaction; assistance in preparation of customers' registration statement under IPO transactions or Form 8-K under reverse merger transactions; assistance in answering comments and questions received from regulatory agencies etc. Management believes it is very difficult to estimate the timing of this phase of service as the completion of Phase III services is not within the Company's control.

Each phase of consulting services is standalone and fees associated with each phase are usually clearly identified in service agreements. Revenue from providing Phase I and Phase II consulting services to customers is recognized ratably over the estimated completion period of each phase only when the Company has an enforceable right to payment for performance completed to date. Otherwise, such revenue is recognized at a point in time when services are delivered and accepted by customers. Revenue from providing Phase III consulting services to customers is recognized upon completion of reverse merger transaction or IPO transaction, which is evidenced by filing of 8-K for reverse merger transaction or receipt of effective notice from regulatory agencies for IPO transaction. Revenue that has been billed and not yet recognized is reflected as deferred revenue on the balance sheet.

Depending on the complexity of the underlying service arrangement and related terms and conditions, significant judgments, assumptions and estimates may be required to determine when substantial delivery of contract elements has occurred, whether any significant ongoing obligations exist subsequent to contract execution, whether amounts due are collectible and the appropriate period or periods in which, or during which, the completion of the earnings process occurs. Depending on the magnitude of specific revenue arrangements, adjustment may be made to the judgments, assumptions and estimates regarding contracts executed in any specific period. Service income from consulting services, totaled $476,213 for the three and six months ended June 30, 2018, respectively, is recognized when the service is performed.

Other service income is earned when services have been rendered.

Contract Balances and Remaining Performance Obligations

Contract balances typically arise when a difference in timing between the transfer of control to the customer and receipt of consideration occurs. Contract assets, consist primarily of accounts receivable related to providing public listing related consulting services to the Company's customers when revenue is recognized prior to payment and it has an unconditional right to payment. The Company had accounts receivable related to revenues from contracts with customers of $316,307 and $nil as of June 30, 2018 and December 31, 2017, respectively. We had no impairments related to these receivables during the three and six months ended June 30, 2018. Our contract liabilities, which are reflected in our unaudited condensed consolidated balance sheets as deferred revenue, consist primarily of customer payments for public listing related consulting services in advance of satisfying performance obligations.

The Company does not disclose information about remaining performance obligations pertaining to service contracts with an original expected term of one year or less.

Net earnings/(loss) per share of common stock

The Company has adopted ASC Topic 260, "Earnings per Share," ("EPS") which requires presentation of basic EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation. In the accompanying financial statements, basic earnings/(loss) per share is computed by dividing net profit/(loss) by the weighted average number of shares of common stock outstanding during the period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net profit/(loss)	$ 21,506	$ (500,836)	$ (366,096)	$ (818,994)
Weighted average number of common shares outstanding - basic and diluted	508,110,000	508,110,000	508,110,000	480,485,691
Basic and diluted earnings/(loss) per share	$ -	$ -	$ -	$ -

* Less than $0.01 per share

The Company has no potentially dilutive securities, such as options or warrants, currently issued and outstanding.

Segments

The Company evaluates a reporting unit by first identifying its operating segments, and then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meets the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated. The Company has one reportable segment in the periods presented (see note 9).

Fair Value of Financial Instruments

U.S. GAAP establishes a three-tier hierarchy to prioritize the inputs used in the valuation methodologies in measuring the fair value of financial instruments. This hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three-tier fair value hierarchy is:

Level 1 – observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – include other inputs that are directly or indirectly observable in the market place.

Level 3 – unobservable inputs which are supported by little or no market activity.

The carrying value of the Company's financial instruments, including cash and cash equivalents, accounts and other receivables, other current assets, accounts and other payables, and other short-term liabilities approximate their fair value due to their short maturities.

In accordance with ASC 825, for investments in financial instruments with a variable interest rate indexed to performance of underlying assets, the Company elected the fair value method at the date of initial recognition and carried these investments at fair value. Changes in the fair value are reflected in the accompanying condensed consolidated statements of operations and comprehensive loss as other income (expense). To estimate fair value, the Company refers to the quoted rate of return provided by banks at the end of each period using the discounted cash flow method. The Company classifies the valuation techniques that use these inputs as Level 2 of fair value measurements.

As of June 30, 2018 and December 31, 2017, the Company did not have any outstanding investments in financial instruments. During the first six months of 2018 and 2017, the investments held were issued by commercial banks in China, and had a variable interest rate indexed to performance of underlying assets. Since these investments had no pre-determined period of maturity, they are classified as short-term investments.

Gain on short-term investments was $857 and $4,031 for the six months ended June 30, 2018 and 2017, respectively; and $443 and $1,983, for the three months ended June 30, 2018 and 2017, respectively. Gain on short-term investments was included in other income (expense) in the accompanying condensed consolidated statements of operations.

Recently issued accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance supersedes current guidance on revenue recognition in Topic 605, ''Revenue Recognition." In addition, there are disclosure requirements related to the nature, amount, timing, and uncertainty of revenue recognition. The FASB subsequently issued the following amendments to ASU No. 2014-09 that have the same effective date and transition date: ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations; ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing; ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients; and ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers. The Company adopted these amendments with ASU 2014-09 (collectively, the new revenue standards). The new revenue standards became effective for the Company on January 1, 2018, and were adopted using the modified retrospective method. The adoption of the new revenue standards as of January 1, 2018 did not change the Company's revenue recognition as its revenues continue to be recognized when the customer takes control of its services. As the Company did not identify any accounting changes that impacted the amount of reported revenues with respect to its service revenues, no adjustment to accumulated deficit was required upon adoption.

3. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables consist of the following:

	June 30, 2018	December 31, 2017
Prepaid office rental	$ -	$ 38,538
Prepaid operating expenses	27,933	22,399
Prepaid service expenses	60,431	78,352
Staff advances	20,183	16,624
Others	2,174	7,939
	$ 110,721	$ 163,852

4. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consist of the following:

	June 30, 2018	December 31, 2017
Office and computer equipment	$ 185,255	$ 128,870
Less: Accumulated depreciation	(119,038)	(117,680)
	$ 66,217	$ 11,190

Depreciation expenses charged to the statements of operations for the six months ended June 30, 2018 and 2017 were $5,179 and $577, respectively. Depreciation expenses charged to the statements of operations for the three months ended June 30, 2018 and 2017 were $3,439 and $338, respectively. A loss on disposal of property, plant and equipment of $116 and $nil were charged to the statements of operations for the three and six months ended June 30, 2018 and 2017 respectively.

5. INTANGIBLE ASSETS, NET

Intangible assets, net, consist of the following:

	June 30, 2018	December 31, 2017
Domain names and trademarks	$ 41,815	$ 42,354
Less: Accumulated amortization	(7,592)	(5,607)
	$ 34,223	$ 36,747

Amortization charged to the statements of operations for the six months ended June 30, 2018 and 2017 were $2,136 and $1,108, respectively. Amortization charged to the statements of operations for the three months ended June 30, 2018 and 2017 were $1,066 and $783, respectively.

6. ACCRUALS AND OTHER PAYABLES

Accruals and other payables consist of the following:

	June 30, 2018	December 31, 2017
Salary payables	$ 81,900	$ 66,907
Accrued professional fees	20,124	53,965
VAT payables	7,833	1,596
Advance from employees	54,510	51,190
Others	53	12,729
	$ 164,420	$ 186,387

The advance from employees is interest-free, unsecured and repayable on demand.

7. BALANCES WITH RELATED PARTIES

	Note	June 30, 2018	December 31, 2017
Due to related companies			
Shenzhen Quantai Holdings Co., Ltd	(a)	$ -	$ 1,215,354
Liaoning Northeast Asia Porter City Investment Limited	(b)	-	196,193
		$ -	$ 1,411,547
Due to shareholders			
Mr. Zongjian Chen		$ 2,400,585	$ 859,924
Mr. Zonghua Chen		133,160	104,152
		$ 2,533,745	$ 964,076

(a) Mr. Zongjian Chen is the Chairman and 60% shareholder of Shenzhen Quantai Holdings Co., Ltd (formerly named as "Shenzhen Porter Holdings Limited" and changes its name on July 9, 2018).

(b) Mr. Zonghua Chen is a supervisor and Mr. Zongjian Chen is a 45% shareholder of Liaoning Northeast Asia Porter City Investment Limited.

All the above balances are interest-free and unsecured. These related companies and shareholders have agreed not to demand repayment until the Company is financially capable to do so.

8. INCOME TAXES

The Company is incorporated in the State of Nevada and is subject to the U.S. federal tax and state tax. The Tax Cuts and Jobs Act of ("TCJ Act") was signed into law in December 2017, and among its many provisions, it imposed a mandatory one-time transition tax on undistributed international earnings and reduced the U.S. corporate income tax rate to 21%, effective January 1, 2018. No provision for income taxes in the United States has been made as the Company had no taxable income for the three months ended June 30, 2018 and 2017.

PGL is registered as an international business company and is exempted from corporation tax in Seychelles.

PPBGL is subject to Hong Kong profits tax rate of 16.5% and did not have any assessable profits arising in or derived from Hong Kong and accordingly no provision for Hong Kong profits tax was made in this period.

PRC Tax

The Company's subsidiary and consolidated VIEs in China are subject to corporate income tax ("CIT") at 25% for the years ended December 31, 2018 and 2017.

The Ministry of Finance ("MOF") and State Administration of Taxation ("SAT") on 9 June 2017 jointly issued Cai Shui [2017] No. 43. This clarified that from 1 January 2017 to 31 December 2019, eligible small enterprises whose taxable income falls under RMB500,000 (previously RMB300,000), may pay CIT on 50% of their whole income at a rate of 20% (i.e., effective rate is 10%).

Separately, the SAT on the same day issued Announcement [2017] No. 23 ("Announcement No. 23") further clarifying CIT collection matters:

- Eligible small enterprise, no matter whether they are subject to CIT on an accounts assessment basis or on a deemed income basis, are entitled to enjoy this preferential CIT treatment.

- Eligible small enterprises may enjoy this preferential tax treatment just by completing the relevant information in the tax filing form when they prepay CIT and perform CIT annual filing. No special record is required.

- Announcement No. 23 clarifies that small enterprises shall prepay CIT on a quarterly basis. It also provides clarifications on how to apply this preferential CIT treatment in relation to small enterprise CIT prepayments in the following situations:

  - A small enterprise subject to CIT on an accounts assessment basis, or on a fixed rate basis, or on a fixed amount basis;

  - An enterprise which was not qualified for small enterprise treatment in the prior tax year but which expects to be qualified in the current tax year;

  - An enterprise which is newly set up in the current year and expects to be qualified for small enterprise treatment in the same year.

- Where a small enterprise has claimed the incentives at the time of prepayment, but is not qualified for small enterprise when performing CIT annual filing, the enterprise shall make a retroactive tax payment.

Porter Consulting enjoyed the above preferential policy on its profits in fiscals 2018 and 2019.

A reconciliation of the income tax expense determined at the statutory income tax rate to the Company's income taxes is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Profit/(Loss) before income taxes	$ 21,259	$ (500,528)	$ (366,256)	$ (818,168)
United States statutory income tax rate	21%	34%	21%	34%
Income tax expense/(credit) computed at statutory corporate income tax rate	4,464	(170,180)	(76,914)	(278,177)
Reconciling items:				
Effect of different tax jurisdictions	794	45,046	(16,239)	73,635
Non-deductible expenses	19,483	28,860	58,169	45,816
Change in valuation allowance	(21,983)	97,668	34,584	161,439
Effect of tax exemption granted to Porter Consulting	(3,005)	(1,086)	240	(1,887)
Income tax expense/(credit)	$ (247)	$ 308	$ (160)	$ 826

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of June 30, 2018 and December 31, 2017 are presented below

	June 30, 2018	December 31, 2017
Deferred tax assets:		
Net operating loss carryforwards:		
- United States of America	$ 35	$ 35
- PRC	325,598	291,014
	325,633	291,049
Less: Valuation allowance	(325,633)	(291,049)
	$ -	$ -

As of June 30, 2018 and December 31, 2017, the Company had net operating loss carry forwards of $165 that may be available to reduce future years' taxable income in varying amounts through 2037. As of June 30, 2018 and December 31, 2017, the Company's subsidiary and VIEs in China had net operating loss carry forwards of $1,302,392 and $1,164,055, respectively, which will expire in various years through 2023.

Management believes that it is more likely than not that the Company will not realize these potential tax benefits as these operations will not generate any operating profits in the foreseeable future. As a result, a valuation allowance was provided against the full amount of the potential tax benefits.

9. SEGMENT INFORMATION

The Company is developing and plans to offer a wide range of one-stop services for its merchant clients through its integrated online and offline platforms.

The Company's chief operating decision maker ("CODM") has been identified as the CEO who reviews the financial information of separate operating segments when making decisions about allocating resources and assessing performance of the Company. Based on management's assessment, the Company has determined that it has one operating segment, being provision of services to its merchant clients.

The Company primarily operates in the PRC. Substantially all the Company's long-lived assets are located in the PRC.

10. CHINA CONTRIBUTION PLAN

The Company's subsidiaries and consolidated VIEs in China participate in a government-mandated multi-employer defined contribution plan pursuant to which certain retirement, medical and other welfare benefits are provided to employees. Chinese labor regulations require the Company's subsidiaries and consolidated VIEs to pay to the local labor bureau a monthly contribution at a stated contribution rate based on the monthly compensation of qualified employees. The relevant local labor bureau is responsible for meeting all retirement benefit obligations; the Company's China-based subsidiaries and consolidated VIEs have no further commitments beyond their monthly contributions. For the six months ended June 30, 2018 and 2017, the Group's China based subsidiaries and consolidated VIEs contributed a total of $23,519 and $18,757, respectively, to these funds. For the three months ended June 30, 2018 and 2017, the Group's China based subsidiaries and consolidated VIEs contributed a total of $13,490 and $11,348, respectively, to these funds.

11. COMMITMENTS AND CONTINGENCIES

Capital Commitments
As of June 30, 2018, Company did not have any capital commitments.

Lease Commitments
On November 27, 2017, the Company has entered into a lease for office space located in Shenzhen, China for the period from December 1, 2017 to February 28, 2023, at RMB125,906 ($19,022) per month, with a rent free period from December 1, 2017 to February 28, 2018. The total future minimum lease payments under the non-cancellable operating lease with respect to the office and the dormitory, as well as hardware trading platform as of June 30, 2018 are payable as follows:

12 months ending June 30,		
2019	$	228,260
2020		228,260
2021		228,260
2022		228,260
2023		152,173
Thereafter		-
Total	$	1,065,213

Rental expense of the Company was $50,471 and $107,090 for the three and six months ended June 30, 2018, respectively. Rental expense of the Company was $17,332 and $34,582 for the three and six months ended June 30, 2017, respectively.

12. CONCENTRATIONS AND CREDIT RISK

(a) Concentrations

In the three months ended June 30, 2018, two customers accounted for 74% and 14% of the Company's revenues, respectively. In the six months ended June 30, 2018, three customers accounted for 69%, 16% and 13% of its revenues, respectively. As of June 30, 2018, a customer accounted for 92% of the Company's accounts receivable.

In the three months ended June 30, 2017, three customers accounted for 51%, 13% and 11% of the Company's revenues, respectively. In the six months ended June 30, 2017, four customers accounted for 46%, 12%, 11% and 10% of its revenues, respectively. As of December 31, 2017, a customer accounted for 91% of the Company's accounts receivable.

No other customer accounts for more than 10% of the Company's revenue in the three and six months ended June 30, 2018 and 2017.

(b) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. As of June 30, 2018 and December 31, 2017, substantially all of the Company's cash and cash equivalents were held by major financial institutions located in the PRC and Hong Kong, which management believes are of high credit quality.

For the credit risk related to trade accounts receivable, the Company performs ongoing credit evaluations of its customers and, if necessary, maintains reserves for potential credit losses. Historically, such losses have been within management's expectations.

13. SUBSEQUENT EVENT

The Company has analyzed its operations subsequent to June 30, 2018 to the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose in these financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following management's discussion and analysis should be read in conjunction with our financial statements and the notes thereto and the other financial information appearing elsewhere in this report. Our financial statements are prepared in U.S. dollars and in accordance with U.S. GAAP.

Special Note Regarding Forward Looking Statements

In addition to historical information, this report contains forward-looking statements. We use words such as "believe," "expect," "anticipate," "project," "target," "plan," "optimistic," "intend," "aim," "will" or similar expressions which are intended to identify forward-looking statements. Such statements include, among others, those concerning market and industry segment growth; any projections of earnings, revenue, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including those identified in our Annual Report on Form 10-K filed on March 30, 2018, as well as assumptions, which, if they were to ever materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements.

Readers are urged to carefully review and consider the various disclosures made by us in this report and our other filings with the SEC. These reports attempt to advise interested parties of the risks and factors that may affect our business, financial condition and results of operations and prospects. The forward-looking statements made in this report speak only as of the date hereof and we disclaim any obligation, except as required by law, to provide updates, revisions or amendments to any forward-looking statements to reflect changes in our expectations or future events.

Use of Terms

Except as otherwise indicated by the context and for the purposes of this report only, references in this report to:

- "Company", "we", "us" and "our" are to the combined business of Porter Holding International, Inc., a Nevada corporation, and its consolidated subsidiaries and variable interest entities;
- "PGL" are to Porter Group Limited, a Republic of Seychelles company and our wholly-owned subsidiary;
- "PPBGL" are to Porter Perspective Business Group Limited, a Hong Kong company and wholly-owned subsidiary of PGL;
- "Qianhai Porter" are to Shenzhen Qianhai Porter Industrial Co. Ltd., a PRC company and wholly-owned subsidiary of PPBGL;
- "Portercity" are to Shenzhen Portercity Investment Management Co. Ltd., a PRC company;
- "Porter E-Commerce" are to Shenzhen Porter Warehouse E-Commerce Co. Ltd., a PRC company and wholly-owned subsidiary of Portercity;
- "Porter Consulting" are to Shenzhen Yihuilian Information Consulting Co. Ltd., a PRC company and wholly-owned subsidiary of Portercity;
- "Porter Commercial" are to Shenzhen Porter Commercial Perspective Network Co., Ltd., a PRC company and wholly-owned subsidiary of Portercity;
- "Weifang Portercity" is to Weifang Porter City Commercial Management Company Limited, a PRC company and a 60% owned subsidiary of Portercity;
- "VIEs" means our consolidated variable interest entities, including Portercity and its subsidiaries, Porter E-Commerce, Porter Consulting, Porter Commercial and Weifang Portercity;
- "Hong Kong" refers to the Hong Kong Special Administrative Region of the People's Republic of China;
- "China" and "PRC" refer to the People's Republic of China;
- "Renminbi" and "RMB" refer to the legal currency of China;
- "U.S. dollars," "dollars" and "$" refer to the legal currency of the United States;
- "SEC" are to the U.S. Securities and Exchange Commission;
- "Exchange Act" are to the Securities Exchange Act of 1934, as amended;
- "Securities Act" are to the Securities Act of 1933, as amended.

Overview

We were incorporated in the State of Nevada on September 5, 2013. Our original business plan was to sell freshly squeezed juices from mobile stands in London, United Kingdom, but this business was not successful and we did not generate any revenue from this business.

On April 7, 2017, we completed the acquisition of PGL pursuant to a share purchase agreement. As a result of the acquisition, PGL became our wholly-owned subsidiary and the former shareholders of PGL became the holders of approximately 98.4% of our issued and outstanding capital stock on a fully-diluted basis. For accounting purposes, the transaction with PGL was treated as a reverse acquisition, with PGL as the acquirer and the Company as the acquired party. Unless the context suggests otherwise, when we refer in this report to business and financial information for periods prior to the consummation of the reverse acquisition, we are referring to the business and financial information of PGL and its consolidated subsidiaries.

Also on April 7, 2017, we changed our fiscal year end from February 28 to December 31. This change was being effectuated in connection with the aforementioned reverse acquisition.

As a result of our acquisition of PGL, we now own all of the issued and outstanding shares of PGL, a holding company, which in turn owns all of the equity capital of PPBGL and its subsidiary. We changed our name to Porter Holding International, Inc. on May 8, 2017 to more accurately reflect our new business.

As described below in more detail, through our PRC VIEs that have contractual arrangements with PGL's subsidiary, Qianhai Porter, we are at the early stage of developing our O2O (Online to Offline) business and our goal is to become a leading innovative O2O business platform operator providing both online E-commerce and offline physical business facilities to our customers.

Our Business Plan

With the development of the mobile internet, e-commerce and social networks, the online and offline worlds are becoming increasingly more integrated. O2O, standing for "online to offline", is a term often used to describe a variety of e-commerce services that provide online information, services, or discounts to end-consumers that enhance their offline shopping experiences. The O2O business mode makes the shopping experience easier for both the merchants and end-consumers, with the ultimate goal to entice end-consumers to go to physical stores of merchants. O2O can play a useful role in two forms of commerce: one is Online to Offline, the typical application scenarios where customers purchase a product or book a service online, and then go to an offline store to enjoy the face-to-face service or pick up the product. However, the O2O commerce solutions industry in China is still in its early stages of development and is heavily fragmented with a wide range of services being introduced. The O2O category stretches to include on-demand services like Didi Chuxing, the Chinese equivalent of Uber, Meituan and Dianping, China's Groupon and Yelp, as well as click-and-collect services offered by traditional brick-and-mortar retailers. In China O2O also covers all manner of services that might not be cost effective to offer in Western markets, including pick-up dry cleaning, home haircuts or wholesale and fresh market delivery services.

As a newly established company with limited operation history, we are at the early stage of developing our O2O business and our goal is to become a leading innovative O2O business platform operator providing both online E- commerce and offline physical business facilities to our merchant customers, where they can conduct business, interact with their existing and potential end-consumers face to face. Different from most other O2O companies, which often lack of integrated platforms, our goal is to provide one-stop services for our customers through our integrated online and offline platforms. As described fully below, we are developing and intend to offer products and services including both hosting our online marketplaces, www.pt37.com and www.17yugo.com for our merchant clients to post and sell their products and services online and managing and operating physical business facilities, Porter City, that our online merchant clients can utilize to conduct their businesses offline. We are currently developing merchant clients who are engaged in businesses including manufacturing, real estate, trade and financing. In the future, we intend to expand our merchant client base to industries of big data, new materials, new energy, green food and environment protection.

Specifically, we are currently developing plans to provide following core products and services to our customers:

Online Product-www.pt37.com

Our pt37.com platform, registered as being qualified for ICP, is a commercial cloud platform to provide free services to various small and medium size merchants. We provide platform-hosting services to our merchant customers who can post their company profile and business opportunities, list their products and services and products or services that they are seeking. Each product page contains pictures of the product, the price, specifications of the product and consumer reviews and ratings. Depending on the type of product, there will be additional information to help the customer make a purchase decision or recommendations of similar products. Currently, listings on the pt37.com online marketplace cover categories such as Books, Video, Instruments, Home Appliance, Electronics, Home Furniture, Clothes, Automotive, Toys, Foods and Beauty. Within each main content category, information is further sorted into sub-categories with various search criteria and parameters to allow users to refine their information search and increase the relevancy of their search results. End-consumers may pay online at the time they place their order, using third-party online payment platforms such as Alipay, Wechat Pay and UnionPay. We have not but may decide to charge our merchant clients fees in the future according to their trading volumes.

We currently have more than 9 million registered merchant members, among which starting in 2017, we plan to select and recommend certain amount of high-quality companies to set up physical presence, such as business centers, offices and stores, in our offline business facilities we plan to develop, Porter City, for their global production, trade and financial management activities.

In addition, starting late 2018, on a fixed monthly fee basis, we plan to provide value-added services to our merchant members through www.pt37.com, such as online advertisement and brand promotion. We also plan to provide commercial services to our strategic cooperative partners that intend to have physical presence at our offline product, Porter City.

Online Product -www.17yugo.com

Our 17yugo.com platform, registered as being qualified for ICP, is developed specifically for the merchants that have physical presence at our offline product, Porter City. Similar as our PT37.com platform, our merchant customers can post their company related information and list their products and services. We plan to charge each merchant who registers on this website between RMB 50,000 to 100,000 as deposits. As the platform provider and operator, we intend to provide our integrated end-to-end e-commerce support covering IT solutions, store operations, online marketing, customer services and online payment and settlement. In addition to maintaining the website, as a part of our value-added services, we intend to deploy our big data collection technologies, analyze online and offline businesses' operational data and customers' consumption data and provide data analysis services to our merchant customers to help them manage their business operations and sales channel and customers expansion. We also plan to develop and offer various financial products and services to our merchant customers such as loans and credits to support their business development.

Offline Product — Porter City

We currently do not own or operate any offline physical business facilities. Porter City is our offline physical business facilities product that we plan to partner with real property owners and real estate developers to develop and offer to our online merchant customers so that they can interact with their customers directly. These facilities are expected to have a total construction area in the range of one million to four million square meters and will be located in various geographic areas globally. We currently plan to establish about 13 to 15 Porter City facilities, including 7 in China. We do not intend to be engaged in the business of real estate development in connection with our Porter City product. Instead, our business partners will provide real properties and conduct the real estate development. After the business facilities are constructed, we will act as the property operator to manage and maintain these facilities.

To satisfy diverse demands of various merchant clients and end-customers, in each Porter City facility, we plan to set up enterprise headquarters, procurement centers, enterprise CEO clubs, innovation centers, warehouses and logistics, exhibition centers, culture travel streets and business service centers. We believe such flexibility is a key to our future success. Porter City will allow end-consumers to browse and review business information of our merchant customers online and then come in to the stores, business centers and other physical facilities in Porter City to complete their business transactions and activities. By managing and maintain these physical facilities, we believe we will facilitate these kinds of modern merchandising methods. In addition, in the next few years we plan to provide logistic support to help our merchant clients fulfill orders and deliver their products to end consumers.

According to the development demand and future goals of our customers, we start to offer a series of services such as business planning, financial guidance, business matching and guidance for listing primarily in the United States. At present, in our customer pool, many small and medium-sized enterprises have increased their public awareness. They are seeking the potential advantages of being a listed company and striving for obtaining the recognition of international capital to accelerate their corporate expansion. But many enterprises themselves may not be familiar with the listing requirements, laws and regulations of different capital markets, and the process of obtaining financing from overseas markets.

In order to help our customers who intend to access to the overseas capital market, we have a team of experienced professionals who have professional knowledge of the listing rules and regulations of various capital markets. We will make full use of our expertise and resources in the capital markets to assist these customers to achieve their goals.

Starting from the second quarter of 2018, we via Shenzhen Portercity Investment Management Co. Ltd. (“Portercity”) commences to provide investment and corporate management consulting services to our clients, especially those who have the intention to be public listed in the stock exchanges in the United States and other countries. We categorize our consulting services into three phases:

Phase I consulting services primarily include due diligence review, market research and feasibility study, business plan drafting, accounting record review, and business analysis and recommendations etc. We estimate that Phase I normally takes around three months to complete based on our past experiences.

Phase II consulting services primarily include reorganization, pre-listing education and tutoring, talent search, legal and audit firm recommendation and coordination, VIE contracts and other public-listing related documents review, merger and acquisition planning, investor referral and pre-listing equity financing source identification and recommendation, independent directors and audit committee candidates recommendation etc. We estimate that Phase II normally takes about five months to complete based our past experiences.

Phase III consulting services primarily include shell company identification and recommendation for customers expecting to become publicly listed through reverse merger transaction; assistance in preparation of customers’ registration statement under IPO transactions or Form 8-K under reverse merger transactions; assistance in answering comments and questions received from regulatory agencies etc. We believe it is very difficult to estimate the timing of this phase of service as the completion of Phase III services is not within our control.

Each phase of consulting services is standalone and fees associated with each phase are usually clearly identified in service agreements. Revenue from providing Phase I and Phase II consulting services to customers is recognized ratably over the estimated completion period of each phase only when we have an enforceable right to payment for performance completed to date. Otherwise, such revenue is recognized at a point in time when services are delivered and accepted by customers. Revenue from providing Phase III consulting services to customers is recognized upon completion of reverse merger transaction or IPO transaction, which is evidenced by filing of 8-K for reverse merger transaction or receipt of effective notice from regulatory agencies for IPO transaction. Revenue that has been billed and not yet recognized is reflected as deferred revenue on the balance sheet.

Depending on the complexity of the underlying service arrangement and related terms and conditions, significant judgments, assumptions and estimates may be required to determine when substantial delivery of contract elements has occurred, whether any significant ongoing obligations exist subsequent to contract execution, whether amounts due are collectible and the appropriate period or periods in which, or during which, the completion of the earnings process occurs. Depending on the magnitude of specific revenue arrangements, adjustment may be made to the judgments, assumptions and estimates regarding contracts executed in any specific period.

On June 28, 2018, Portercity and Mr. Zhibo Mao established Weifang Porter City Commercial Management Company Limited ("Weifang Portercity") in Weifang, Shandong Province, the PRC. Portercity and Mr. Zhibo Mao hold 60% and 40% equity interest in Weifang Portercity, respectively.

Results of Operations

Comparison of Three Months Ended June 30 , 201 8 and 201 7

The following table sets forth key components of our results of operations during the three months ended June 30, 2018 and 2017, both in dollars and as a percentage of our revenue.

	Three Months Ended June 30 ,			
	201 8		201 7	
	Amount	% of Revenue	Amount	% of Revenue
Revenue	$ 539,014	100.00	$ 1,347,760	100
Cost of revenue	(46,559)	(8.64)	(1,500,937)	(111.37)
Gross profit/(loss)	492,455	91.36	(153,177)	(11.37)
Operating expenses				
General and administrative expenses	(471,301)	(87.44)	(335,455)	(24.89)
Profit/(Loss) from operations	21,154	3.92	(488,632)	(36.26)
Other income/(expense)	105	0.02	(11,896)	(0.88)
Profit/(Loss) before income taxes	21,259	3.94	(500,528)	(37.14)
Income tax benefit/(expense)	247	0.05	(308)	(0.02)
Net profit/(loss)	$ 21,506	3.99	$ (500,836)	(37.16)

Revenue . Starting from the second quarter of 2018, we commence to provide various consulting services to our customers, especially those who have the intention to be publicly listed primarily on the stock exchanges in the United States, and service income from the provision of these consulting services totaled $476,213 in the three months ended June 30, 2018. Through our VIE, Porter Consulting, we also promote payment services of a third-party payment service provider to merchants in Shenzhen and in return share a portion of the processing fees earned by the third-party payment service provider as commission. Our commission totaled $58,224 for the three months ended June 30, 2018, compared to $104,136 for the same period last year. In addition, during the three months ended June 30, 2018 and 2017, through Portercity we earned service income of $nil and $1,215,426, respectively, from organizing and delivering events and forums to our merchant clients.

Cost of revenue . Our cost of revenue of $46,559 and $1,500,937 in the three months ended June 30, 2018 and 2017, respectively, includes mainly includes fees paid to our sales agents and the cost incurred in relation to a forum which was held in May 2017. In the three months ended June 30, 2017, we incurred a cost of $1,449,645 for organizing a forum in May 2017.

Gross profit /(loss) and gross margin . Our gross profit was $492,455 for the three months ended June 30, 2018, compared with a gross loss of $153,177 for the same period last year. The gross loss incurred during the three month period ended June 30, 2017 was primarily resulted from the cost for organizing a forum in May 2017. Gross profit as a percentage of revenue (gross margin) was 91.36% for the three months ended June 30, 2018, compared to a gross loss of 11.37% for the same quarter last year.

General and administrative expenses . Our general and administrative expenses consist primarily of compensation and benefits to our general management, finance and administrative staff, professional fees and other expenses incurred in connection with general operations. Our general and administrative expenses increased by $135,846 to $471,301 for the three months ended June 30, 2018, compared to $335,455 for the same period in 2017. We incurred more professional staff salary as we expanded our consulting services to customers.

Net profit/ (loss) . As a result of the cumulative effect of the factors described above, our net profit was $21,506 for the three months ended June 30, 2018, compared with a net loss of $500,836 for the same period in 2017.

Comparison of Six Months Ended June 30 , 201 8 and 201 7

The following table sets forth key components of our results of operations during the six months ended June 30, 2018 and 2017, both in dollars and as a percentage of our revenue.

	Six Months Ended June 30,			
	201 8		201 7	
	Amount	% of Revenue	Amount	% of Revenue
Revenue	$ 582,380	100.00	$ 1,484,726	100.00
Cost of revenue	(66,152)	(11.36)	(1,564,304)	(105.36)
Gross profit/(loss)	516,228	88.64	(79,578)	(5.36)
Operating expenses				
General and administrative expenses	(882,645)	(151.56)	(727,712)	(49.01)
Loss from operations	(366,417)	(62.92)	(807,290)	(54.37)
Other income/(expense)	161	0.03	(10,878)	(0.73)
Loss before income taxes	(366,256)	(62.89)	(818,168)	(55.1)
Income tax benefit/(expense)	160	0.03	(826)	(0.06)
Net loss	$ (366,096)	(62.86)	$ (818,994)	(55.16)

Revenue . Our revenue was $582,380 for the six months ended June 30, 2018, compared to $1,484,726 for the same period last year. Starting from the second quarter of 2018, we commence to provide various consulting services to our customers, especially those who have the intention to be publicly listed primarily on the stock exchanges in the United States, and service income from the provision of these consulting services totaled $476,213 in the six months ended June 30, 2018. In the six months ended June 30, 2017, through Porter Consulting we also promote the payment service of a third-party payment service provider to merchants in Shenzhen and in return share a portion of the processing fees earned by the third-party payment service provider as commission. Our commission totaled $99,189 and $200,523 for the six months ended June 30, 2018 and 2017, respectively. In addition, during the six months ended June 30, 2018 and 2017, we through Portercity earned service income of $nil and $1,243,624 from organizing and delivering an event and forum to our merchant clients in May 2017.

Cost of revenue . Our cost of revenue was $66,152 for the six months ended June 30, 2018 compared to $1,564,304 for the same period last year. Our cost of revenue mainly includes fees paid to our sales agents and the cost incurred in relation to a forum which was held in May 2017. In the six months ended June 30, 2017, we incurred a cost of $1,449,645 for organizing a forum in May 2017.

Gross profit /(loss) and gross margin . Our gross profit was $516,228 for the six months ended June 30, 2018, compared with a gross loss of $79,578 for the same period last year. The gross loss incurred during the six month period ended June 30, 2017 was primarily resulted from the cost for organizing a forum in May 2017. Gross profit as a percentage of revenue (gross margin) was 88.64% for the six months ended June 30, 2018, compared to a gross loss of 5.36% for the six months ended June 30, 2017

General and administrative expenses . Our general and administrative expenses increased by $154,933 to $882,645 for the six months ended June 30, 2018, from $727,712 for the same period in 2017. We incurred more professional staff salary as we expanded our consulting services to customers.

Net loss . As a result of the cumulative effect of the factors described above, our net loss decreased by $452,898, to $366,096 for the six months ended June 30, 2018 from $818,994 for the same period in 2017.

Limited Operating History; Need for Additional Capital

There is limited historical financial information about us on which to base an evaluation of our performance. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, a narrow client base, limited sources of revenue, and possible cost overruns due to the price and cost increases in supplies and services.

Without additional funding, management believes that we will not have sufficient funds to meet our obligations beyond one year after the date our consolidated financial statements are issued. These conditions give rise to substantial doubt as to our ability to continue as a going concern.

We have been, and intend to continue, working toward identifying and obtaining new sources of financing. To date we have been dependent on related parties for our source of funding. No assurances can be given that we will be successful in obtaining additional financing in the future. Any future financing that we may obtain may cause significant dilution to existing stockholders. Any debt financing or other financing of securities senior to common stock that we are able to obtain will likely include financial and other covenants that will restrict our flexibility. Any failure to comply with these covenants would have a negative impact on our business, prospects, financial condition, results of operations and cash flows.

If adequate funds are not available, we may be required to delay, scale back or eliminate portions of our operations or obtain funds through arrangements with strategic partners or others that may require us to relinquish rights to certain of our assets. Accordingly, the inability to obtain such financing could result in a significant loss of ownership and/or control of our assets and could also adversely affect our ability to fund our continued operations and our expansion efforts.

Currently we spend approximately $150,000 per month for basic operations. During the next 12 months, we expect to incur the same amount of expenses each month. However, as we work to expand our operations, we expect to incur significant payroll expenses for our consultancy services, and research, marketing and development costs and expenses on our online service platforms that meet the constantly evolving industry standards and consumer demands. We will also need to hire additional employees in order to provide new services and accommodate new clients.

Liquidity and Capital Resources

Working Capital

	June 30, 201 8	December31 , 201 7
Current Assets	$ 665,687	$ 433,988
Current Liabilities	3,208,892	2,603,461
Working Capital Deficiency	$ 2,543,205	$ 2,169,473

As of June 30, 2018, we had cash and cash equivalents of $238,659. To date, we have financed our operations primarily through borrowings from our stockholders and related parties.

Going Concern Uncertainties

The accompanying consolidated financial statements have been prepared assuming we will continue as a going concern. We have incurred recurring losses from operations resulting in an accumulated deficit of $3,399,534 as of June 30, 2018, and we currently have net working capital deficit of $2,543,205. These conditions raise substantial doubt about our ability to continue as a going concern. The ability to continue as a going concern is dependent upon generating profitable operations in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they become due. We may have to rely on additional debt financing, loans from existing directors and shareholders and private placements of capital stock for additional funding. Our sources of capital in the past have included borrowings from our stockholders and related parties. We believe that our current cash and financing from our existing stockholders are adequate to support operations for at least the next 12 months.

	Six Months Ended June 30,	
	201 8	201 7
Net cash used in operating activities	$ (235,816)	$ (675,215)
Net cash used in by investing activities	(62,626)	(63,722)
Net cash provided by financing activities	295,832	417,708
Effect of exchange rate changes on cash and cash equivalents	1,197	19,107
Net decrease in cash and cash equivalents	(1,413)	(302,122)
Cash and cash equivalents at the beginning of period	240,072	1,018,313
Cash and cash equivalents at the end of period	$ 238,659	$ 716,191

Operating Activities

Net cash used in operating activities was $235,816 for the six months ended June 30, 2018, as compared to $675,215 net cash used in operating activities for the six months ended June 30, 2017. The net cash used in operating activities in the first half of 2018 was mainly due to our net loss of $366,096 and an increase in accounts receivable of $298,512, partially offset by an increase in deferred revenue of $475,979.

Investing Activities

Net cash used in investing activities was $62,626 for the six months ended June 30, 2018, as compared to $63,722 net cash used in investing activities for the six months ended June 30, 2017. The net cash used in investing activities in the first half of 2018 was mainly attributable to purchase of property, plant and equipment of $62,626. The cash used in investing activities in the first half of 2017 was mainly attributable to net investments in short-term investments of $152,845, partially offset by repayment from related parties of $94,948.

Financing Activities

Net cash provided by financing for the six months ended June 30, 2018 was $295,832, as compared to $417,708 for the six months ended June 30, 2017. In the first half of 2018, we obtained advances of $1,643,895 from shareholders and repaid $1,449,397 to related parties. In the first half of 2017, we obtained advances of $704,424 from shareholders and repaid $286,716 to related parties.

Contractual Obligations and Commercial Commitments

We had the following contractual obligations and commercial commitments as of June 30, 2018:

Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Amounts due to shareholders	$ 2,533,745	$ 2,533,745	$ —	$ —	$ —
Other payables	164,420	164,420	—	—	—
Leases	1,065,213	228,260	456,520	380,433	—
TOTAL	$ 3,763,378	$ 2,926,425	$ 456,520	$ 380,433	$ —

We believe that our current cash and financing from our existing stockholders are adequate to support operations for at least the next 12 months. We may, however, in the future, require additional cash resources due to changed business conditions, implementation of our strategy to expand our business or other investments or acquisitions we may decide to pursue. If our own financial resources are insufficient to satisfy our capital requirements, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity securities could result in dilution to our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, could limit our ability to expand our business operations and could harm our overall business prospects.

Capital Expenditures

We incurred capital expenditures of $62,626 and $5,825 in the six months ended June 30, 2018 and 2017, respectively.

Off-Balance Sheet Transactions
We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to investors.

Critical Accounting Policies
Our condensed consolidated financial information has been prepared in accordance with U.S. GAAP, which requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application. There have been no material changes to the critical accounting policies previously disclosed in our audited consolidated financial statements for the year ended December 31, 2017 included in the Annual Report on Form 10-K filed on March 30, 2018.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management has carried out an evaluation, with the participation and under the supervision of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2018. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Management conducted its evaluation of disclosure controls and procedures under the supervision of our chief executive officer and chief financial officer. Based upon, and as of the date of this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were ineffective as of June 30, 2018 due to the following material weaknesses that our management identified in our internal control over financial reporting as of June 30, 2018:

1) We do not have an Audit Committee — While not being legally obligated to have an audit committee, it is the management's view that such a committee, including a financial expert member, is an utmost important entity level control over the Company's financial statement. Currently the Board of Directors acts in the capacity of the Audit Committee, and does not include a member that is considered to be independent of management to provide the necessary oversight over management's activities.

2) We did not maintain appropriate cash controls — As of June 30, 2018, the Company has not maintained sufficient internal controls over financial reporting for the cash process, including failure to segregate cash handling and accounting functions, and did not require dual signature on the Company's bank accounts. Alternatively, the effects of poor cash controls were mitigated by the fact that the Company had limited transactions in their bank accounts.

3) We did not implement appropriate information technology controls – As of June 30, 2018, the Company retains copies of all financial data and material agreements; however there is no formal procedure or evidence of normal backup of the Company's data or off-site storage of data in the event of theft, misplacement, or loss due to unmitigated factors.

4) We did not have appropriate policies and procedures in place to evaluate the proper accounting and disclosures of key documents and agreements.

5) We do not have sufficient and skilled accounting personnel with an appropriate level of technical accounting knowledge and experience in the application of accounting principles generally accepted in the United States commensurate with our financial reporting requirements.

We plan to take steps to remediate these material weaknesses as soon as practicable by implementing a plan to improve our internal control over financial reporting including, but not limited to, hiring additional staff and/or outside consultants experienced in US GAAP financial reporting as well as in SEC reporting requirements. Our management team will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements.

Our management does not believe that these material weaknesses had a material effect on our financial condition or results of operations or caused our financial statements as of and for the period ended June 30, 2018 to contain a material misstatement.

Changes in Internal Control over Financial Reporting

Except for the matters described above, there were no changes in our internal controls over financial reporting during the quarter ended June 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are currently not aware of any legal proceedings or claims that would require disclosure under Item 103 of Regulation S-K. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

ITEM 1A. RISK FACTORS.

Not applicable.

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.

The following exhibits are filed as part of this report or incorporated by reference:

Exhibit No.	Description
31.1	Certifications of Principal Executive Officer and Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of Principal Executive Officer and Principal Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

Date: August 14, 2018

PORTER HOLDING INTERNATIONAL, INC.

By: /s/ Zonghua Chen
Zonghua Chen
Chief Executive Officer and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATIONS

I, Zonghua Chen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Porter Holding International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am 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 over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my 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 14, 2018

/s/ Zonghua Chen
Zonghua Chen
Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial Officer and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Zonghua Chen, Chief Executive Officer and Chief Financial Officer of PORTER HOLDING INTERNATIONAL, INC. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement this 14 th day of August, 2018.

/s/ Zonghua Chen
Zonghua Chen
Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial and Accounting Office r)

A signed original of this written statement required by Section 906 has been provided to Porter Holding International, Inc. and will be retained by Porter Holding International, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.