

**FORM 10-Q**

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

**For Quarterly Period Ended June 30, 2018**

or

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

**VITALIBIS, INC.**

**(Formerly known as Sheng Ying Entertainment Corp.)**

**(Formerly known as Crowd 4 Seeds, Inc.)**

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

**Nevada**

(State or other jurisdiction of incorporation or organization)

**30-0828224**

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

**3960 Howard Hughes Parkway, Suite 500, Las Vegas, NV 89169**

(Address of principal executive offices)

**702-944-9620**

Registrant's phone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding twelve months (or shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

**Class**

**Outstanding at June 30, 2018**

Common Stock, \$.001 par value

28,761,000

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**PART I - FINANCIAL INFORMATION**

**ITEM I — FINANCIAL STATEMENTS**

**VITALIBIS, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND DECEMBER 31, 2017**

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**VITALIBIS, INC.**  
**BALANCE SHEETS**  
**(Unaudited)**

ASSETS	June 30, 2018	December 31, 2017
<b>Current assets:</b>		
Cash	\$ 324,619	\$ –
Prepaid Expenses	72,207	–
Inventory Asset	73,399	–
Total current assets	<u>470,225</u>	<u>–</u>
<b>Long term assets</b>		
Website Development	99,513	–
<b>Total assets</b>	<u>\$ 569,738</u>	<u>\$ –</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 61,342	\$ 6,169
Customer deposits	10,500	–
Unsecured notes payable	4,688	–
Total current liabilities	<u>76,530</u>	<u>6,169</u>
<b>Total liabilities</b>	<u>76,530</u>	<u>6,169</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Stockholders' equity (deficit):</b>		
Preferred stock; \$.001 par value, 5,000,000 shares authorized, none issued and outstanding	–	–
Common stock; \$.001 par value, 112,500,000 shares authorized, 28,761,000 shares issued and 27,010,000 shares issued outstanding as of June 30, 2018 and December 31, 2017, respectively	28,761	27,010
Additional paid-in capital	1,793,738	291,725
Accumulated deficit	(1,329,291)	(324,904)
Total stockholders' equity (deficit)	<u>493,208</u>	<u>(6,169)</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	<u>\$ 569,738</u>	<u>\$ –</u>

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

**VITALIBIS, INC.**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue	\$ 6,396	\$ –	\$ 6,396	\$ –
Cost of Goods Sold	(1,628)	–	(1,628)	–
Gross Profit	4,768	–	4,768	–
<b>Operating expenses:</b>				
Selling, general and administrative expenses	(451,442)	(49,798)	(1,009,155)	(73,871)
Loss from operations	(446,674)	(49,798)	(1,004,387)	(73,871)
Other expenses, net	–	–	–	–
Loss before provision for income taxes	(446,674)	(49,798)	(1,004,387)	(73,871)
Provision for income taxes	–	–	–	–
Net loss	<u>\$ (446,674)</u>	<u>\$ (49,798)</u>	<u>\$ (1,004,387)</u>	<u>\$ (73,871)</u>
Net loss per common share – basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding – basic and diluted	<u>28,326,659</u>	<u>9,054,000</u>	<u>27,823,420</u>	<u>9,054,000</u>

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

**VITALIBIS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017**  
**(Unaudited)**

	Six Months Ended June 30,	
	2018	2017
<b>Cash flow from operating activities:</b>		
Net loss	\$ (1,004,387)	\$ (73,871)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Stock based compensation	878,564	–
<b>Changes in operating assets and liabilities:</b>		
Prepaid expenses	(13,519)	–
Inventory	(73,399)	–
Accounts payable and accrued liabilities	39,173	72,953
Customer deposits	10,500	–
<b>Net cash used in operating activities</b>	<u>(163,068)</u>	<u>(918)</u>
<b>Cash flow from investing activities:</b>		
Purchase of assets	(83,513)	–
<b>Net cash used in investing activities</b>	<u>(83,513)</u>	<u>–</u>
<b>Cash flow from financing activities:</b>		
Contribution of cash by officer	200	–
Proceeds from equity issuance	571,000	–
<b>Net cash provided by financing activities</b>	<u>571,200</u>	<u>–</u>
<b>NET CHANGE IN CASH</b>	324,619	(918)
<b>CASH AT BEGINNING OF PERIOD</b>	–	1,130
<b>CASH AT END OF PERIOD</b>	<u>\$ 324,619</u>	<u>\$ 212</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ –	\$ –
Cash paid for income taxes	\$ –	\$ –
<b>Non-cash transactions</b>		
Common stock issued for asset acquisition	\$ 200,000	\$ –
Common stock issued for prepaid expenses	\$ 54,000	\$ –
Website development cost paid by accounts payable	\$ 16,000	\$ –
Notes payable issued for prepaid expenses	\$ 4,688	\$ –
Expenses paid by related party on behalf of the Company	\$ –	\$ 54,461

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

**VITALIBIS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1 – ORGANIZATION AND GOING CONCERN**

Vitalibis is a socially conscious brand focused on people, products and the planet. We are a seller of phyto-cannabinoid rich (PCR) hemp products, along with personal care and nutritional products. We leverage our proprietary technology platform to maximize our innovative micro-influencer sales model, which fosters engaged customer connections.

Vitalibis (the “Company”) was formed on April 11, 2014, as a Nevada corporation, under the name of Crowd 4 Seeds, Inc.

On January 9, 2017, the Company filed with Secretary of State of Nevada an Amendment to our Articles of Incorporation to change our name to Sheng Ying Entertainment Corp. On April 24, 2017, the Financial Industry Regulatory Authority (“FINRA”) approved the name change. The Company’s common stock symbol was also changed from CWWD to SALL, effective April 25, 2017.

On January 18, 2018, our Board of Directors approved an agreement and plan of merger to merge with and into our wholly-owned subsidiary, Vitalibis, Inc., a Nevada corporation, thereby changing our name from Sheng Ying Entertainment Corp. to Vitalibis, Inc. Vitalibis, Inc. was formed solely to effect the change of name and conducted no operations.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses and generated negative cash flows from operations since inception. Due to these conditions, it raised substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that may result should the Company be unable to continue as a going concern.

**NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of presentation*

The unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the United States Securities and Exchange Commission. Accordingly, they do not contain all information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of the Company’s management, the accompanying unaudited financial statements contain all the adjustments necessary (consisting only of normal recurring adjustments) to present the financial position of the Company as of June 30, 2018 and the results of operations and cash flows for the periods presented. The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the operating results for the full fiscal year. These financial statements should be read in conjunction with the financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent year ended December 31, 2017 have been omitted.

*Stock-based Compensation*

In the second quarter of 2018 the Company elected to adopt ASU 2018-07 which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. ASU 2018-07 requires an entity to use a modified retrospective transition approach, with a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year. Upon adoption the Company recorded an adjustment to the first quarter of 2018 of \$188,165.

### *Inventories*

Inventory is manufactured at third party facilities. Inventories are stated at the lower of cost or net realizable value, using the first-in, first-out method. The Company reviews its inventory for obsolescence and any inventory identified as obsolete is reserved or written off. The Company's determination of obsolescence is based on assumptions about the demand for its products, product expiration dates, estimated future sales, and management's future plans.

As of June 30, 2018 and December 31, 2017 inventory consists of the following components:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Raw materials and supplies	\$ 28,806	\$ —
Finished products	44,593	—
Total inventory	<u>\$ 73,399</u>	<u>\$ —</u>

### *Revenue Recognition*

The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which was adopted on January 1, 2018. All revenue is recognized when the performance obligations under a contract are satisfied. Product sales are recognized when the products are delivered and title passes to the customer. Net revenues comprise gross revenues less customer discounts and allowances, actual and expected returns. Shipping charges billed to members are included in net sales. Various taxes on the sale of products and enrollment packages to members are collected by the Company as an agent and remitted to the respective taxing authority. These taxes are presented on a net basis and recorded as a liability until remitted to the respective taxing authority.

### *Deferred Revenue*

The Company may at times receive payment by credit card at the time customer places an order. Amounts received for undelivered product are considered a contract liability and are recorded as deferred revenue. As of June 30, 2018 and December 31, 2017 the Company had no deferred revenue.

### *Cost of Sales*

Cost of sales includes all of the costs to manufacture the Company's products. Products are manufactured for the Company by third-party contractors, such costs represent the amounts invoiced by the contractors. Additionally, shipping costs are included in Cost of Sales in the Statements of Operations.

### *Selling, General and Administrative Expenses*

Selling, general and administrative expenses include advertising and promotional costs and research and development costs. Also included in Selling, general and administrative expenses are share-based compensation, certain warehousing fees, non-manufacturing overhead, personnel and related expenses, rent on operating leases, and professional fees.

Advertising and promotional costs are expensed as incurred and totaled \$16,183 and \$0 in the six months ended June 30, 2018 and 2017, respectively. Research and development costs are expensed as incurred and totaled \$1,698 and \$0 for the six months ended June 30, 2018 and 2017, respectively.

### *Website Development Cost*

We capitalize certain development costs associated with internal use software incurred during the application development stage. We expense costs associated with preliminary project phase activities, training, maintenance and any post-implementation period costs as incurred. Capitalization of qualifying application development cost begins when management authorized and commits to funding the project and it is probable that the project will be completed for the function intended. Capitalized internal use software costs are normally amortized over estimated useful lives ranging from 2 to 5 years once the related project has been completed and deployed for customer use. At the time the software is considered to have be an indefinite lived asset in which case it is evaluated for impairment at least annually. For the six months ending June 30, 2018 we have capitalized \$99,513 related to software under the criteria discussed in this paragraph. These cost are related to the development of our website and customer portal and have not been placed in service as of June 30, 2018.

### **NOTE 3 – STOCKHOLDERS' EQUITY (DEFICIT)**

#### *Common Stock*

The Company effected a 2.5 for 1 forward stock split of our number of authorized shares of the Common Stock and a corresponding increase in the number of issued and outstanding shares of Common Stock held by each stockholder of record as of February 8, 2018, the "Effective Date" of the forward split, as set by the Financial Industry Regulatory Authority ("FINRA"). All shares referenced have been respectively adjusted to reflect this stock split.

On the Effective Date, our total authorized shares of Common Stock increased from 45,000,000 to 112,500,000 shares, and our total issued and outstanding shares of Common Stock increased from 10,804,000 to 27,010,000 shares; the par value of \$0.001 remained the same. Any fractional shares resulting from the split were rounded up to the next whole number. The total authorized shares of our Preferred Shares was not be affected and remained at 5,000,000.

In March 2018, the Company issued 200,000 shares of common stock, valued at \$200,000, to acquire a license from VOTOCAST, INC., as discussed in Note 4. It was determined to be a transaction with an entity under common control and the share issuance was determined to be a deemed distribution to the related party for the value of the shares in excess of the historical carry over basis of the asset.

During the six months ended June 30, 2018, the Company sold 571,000 shares of its restricted common stock at a price of \$1.00 per share, for total net proceeds of \$571,000.

During the six months ended June 30, 2018, the Company issued a total of 950,000 shares of common stock to consultants. In addition, the Company committed to issue an additional 500,000 of shares that will vest between May 2018 and February 2019. The Company recorded \$878,564 of compensation cost related to these shares.

During the six months ended June 30, 2018, the Company entered into agreements with consultants to serve on the Advisory Board. The consultants were issued an aggregate total of 30,000 shares of common stock, valued at \$54,000. The shares were recorded as a prepaid expense and will be recognized over the three-month services period. The agreements will renew on a quarterly basis, unless terminated at any time by either party.

#### **NOTE 4 – TRANSACTION WITH RELATED PARTIES**

In March 2018, the Company entered into an Agreement with VOTOCAST, INC. dba newkleus, a California corporation formed and owned by Steven Raack, the President, CEO and a Director of the Company. The Company will receive an exclusive license in the cannabis industry for the state-of-the-art *newkleus*<sup>TM</sup> technology to (1) facilitate Vitalibis' micro-influencer sales model, and (2) enhance and compliment Vitalibis' social media strategy.

The Agreement grants Vitalibis<sup>TM</sup> an exclusive license for the newkleus patent-pending, user-generated content (UGC) technology for all applications in the cannabis industry. The integration of the newkleus technology allows Vitalibis to create an interactive digital community, while concurrently acquiring valuable user data and content, all of which Vitalibis anticipates will (1) increase customer acquisition and retention, and (2) build direct, meaningful and loyal customer relationships.

The Company paid 200,000 shares upon execution of the agreement and a monthly fee ranging from \$0 to \$2,000 depending of usage volume. In addition, newkleus will provide operational and business development consulting services.

During the six months ended June 30, 2018, \$200 of cash was contributed to the Company by the Chief Financial Officer to open the Company's bank account.

#### **NOTE 5 – SUBSEQUENT EVENTS**

Subsequent to June 30, 2018, the Company issued a total of 215,000 shares of its restricted common stock at a price of \$1.00 per share, for a total net proceeds of \$215,000.

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

*The following discussion contains certain statements that may be deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Report, including, without limitation, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements are not guarantees of future performance and involve risks, uncertainties and requirements that are difficult to predict or are beyond our control. Forward-looking statements speak only as of the date of this quarterly report. You should not put undue reliance on any forward-looking statements. We assume no responsibility to update the forward-looking statements contained in this quarterly report on Form 10-Q. The following should also be read in conjunction with the unaudited Financial Statements and notes thereto that appear elsewhere in this report.*

### Company Overview

Vitalibis is a socially conscious brand focused on people, products and the planet. We are a multi-channel marketer and seller of premium, full spectrum phyto-cannabinoid rich (PCR) hemp products, along with personal care and nutritional products. We leverage our proprietary technology platform to maximize our innovative micro-influencer sales model, which fosters engaged customer connections. In addition to selling high-quality products and building long-term customer relationships, Vitalibis supports non-profits with environmental, health / wellness and neuro-emotional missions.

For additional information visit: <https://www.vitalibis.com/>

The Company was incorporated in Nevada on April 11, 2014, as Crowd 4 Seeds Inc. Most of our activity through March 31, 2018, involved incorporation efforts, registration to become a reporting company, planning our business and developing our website.

After change in ownership October 2017, the Company had a new management team on board and the Company’s business plan was changed substantially by the new management team to focus on the marketing of hemp-based products.

We commenced business operations with respect to our hemp-based products in May 2018, and such operations are continuing. We are now marketing and selling two (2) of our proprietary products, Signature 300 Hemp Oil and Daily Wellness Super-food Blend, through our website and Pro-Program.

We’ve assembled a team of experts to help launch and scale our business. Each person was hand-picked based on relationships, ethics and skills covering the following areas: technology, eCommerce, social selling, marketing, sales, product development, contract manufacturing, regulatory, legal, supply chain and small parcel distribution.

Technology is a major differentiator for Vitalibis. The Company is building a unique, proprietary technology platform which includes a patent-pending *newkleus* technology. Vitalibis will soon be able to license its technology to non-competitive brands as a Software as a Service (SaaS) platform.

We have highly experienced independent third-party chemists and product development resources creating our proprietary formulas. We screen every product ingredient for safety as it relates to both human health and environmental health. Our PCR oil, derived from our patent-pending extraction process, is the highest quality available. All of our products are manufactured in GMP facilities and include independent third-party testing.

In July 2018, Vitalibis launched its initial 2 wellness products (see below), and currently has additional proprietary product formulations for its personal care and nutritional products in different stages of development.

### **Vitalibis Signature 300 PCR Hemp Oil**

Our Vitalibis Signature 300 is a full spectrum, phyto-cannabinoid rich (PCR) hemp oil blended with Medium Chain Triglycerides (MCT) from coconut oil.

A patent-pending hemp oil extraction process produces a full spectrum oil containing beneficial elements, such as cannabinoids, terpenes, fatty acids and flavonoids.

Our oil is derived from high-quality industrial hemp responsibly grown in Colorado, USA. And for each batch of hemp, we work with independent third-party testing labs to critically analyze and validate our product's potency, safety and efficacy. Our protocols test for such things as cannabinoids, heavy metals and microbial elements.

### **Vitalibis Daily Wellness Capsules**

Our Vitalibis Daily Wellness capsules are a certified organic super-food, specifically formulated to promote overall wellness and balanced health.

We partnered with industry-leading health professionals to carefully select which ingredients to blend into our proprietary wellness formula. And this product is California Certified Organic Farmers (CCOF) certified. CCOF is a non-profit organization that advances organic agriculture for a healthy world through organic certification, education, advocacy, and promotion.

To enhance our sharp focus on quality, our capsules are manufactured in an NSF-certified GMP facility, which is also organic, halal, kosher and SQF Level 2-certified. Each batch of capsules is independently tested for safety and efficacy.

## **Results of Operations**

### ***Three months ended June 30, 2018 compared to three months ended June 30, 2017***

#### *Revenue and Cost of Goods Sold*

The Company began generating revenue in the quarter ended June 30, 2018. Revenues amounted to \$6,396 and \$0, respectively for the three months ended June 30, 2018 and 2017. Cost of goods sold amounted to \$1,628 and \$0, respectively for the three months ended June 30, 2018 and 2017.

#### *Selling, General and Administrative Expenses*

Selling, general and administrative expenses amounted to \$451,442 and \$49,798, respectively for the three months ended June 30, 2018 and 2017. The amount incurred is mainly consulting fees, professional fees to transfer agent, auditor and accountant, EDGAR filing services and management expenses. Of the total expense for the three months ended June 30, 2018, \$353,734 was stock based compensation to various consultants.

## *Six months ended June 30, 2018 compared to six months ended June 30, 2017*

### *Revenue and Cost of Goods Sold*

The Company began generating revenue in the quarter ended June 30, 2018. Revenues amounted to \$6,396 and \$0, respectively for the six months ended June 30, 2018 and 2017. Cost of goods sold amounted to \$1,628 and \$0, respectively for the six months ended June 30, 2018 and 2017.

### *Selling, General and Administrative Expenses*

Selling, general and administrative expenses amounted to \$1,009,155 and \$73,871, respectively for the six months ended June 30, 2018 and 2017. The amount incurred is mainly consulting fees, professional fees to transfer agent, auditor and accountant, EDGAR filing services and management expenses. Of the total expense for the three months ended June 30, 2018, \$878,564 was stock based compensation to various consultants.

### **Liquidity and Capital Resources**

The following is a summary of the Company's cash flows for the six months ended June 30, 2018 and 2017:

	Six months ended June 30, 2018	Six months ended June 30, 2017
Net cash used in operating activities	\$ (163,068)	\$ (918)
Net cash used in investing activities	(83,513)	-
Net cash provided by financing activities	571,200	-

As of June 30, 2018, most of our resources and work have been devoted to planning our new business and completing our corporate changes through FINRA, paying auditor and accountant fees and making our related securities filings with the SEC.

We are a public company and as such we have incurred and will continue to incur significant expenses for legal, accounting and related services. As a public entity, subject to the reporting requirements of the Exchange Act of 1934, we incur ongoing expenses associated with professional fees for accounting, legal and a host of other expenses including annual reports and proxy statements, if required. We estimate that these costs will range up to \$80,000 per year over the next few years and may be significantly higher if our business volume and transactional activity increases but should be lower for this year in 2018 because our overall business volume (and financial transactions) will be lower, and we will not yet be subject to the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 until we exceed \$75 million in market capitalization (if ever). These obligations will certainly reduce our ability and resources to expand our business plan and activities. We hope to be able to use our status as a public company to increase our ability to use noncash means of settling outstanding obligations (i.e. issuance of restricted shares of our common stock) and compensate independent contractors who provide professional services to us, although there can be no assurances that we will be successful in any of these efforts. We will also reduce compensation levels paid to management (if we attract or retain outside personnel to perform this function) if there is insufficient cash generated from operations to satisfy these costs.

We hope to be able to use our status as a public company to enable us to use non-cash means of settling obligations and compensate persons and/or firms providing services to us, although there can be no assurances that we will be successful in any of those efforts. However, these actions, if successful, will result in dilution of the ownership interests of existing shareholders, may further dilute common stock book value, and that dilution may be material. Such issuances may also serve to enhance existing management's ability to maintain control of the Company because the shares may be issued to parties or entities committed to supporting existing management. The Company may offer shares of its common stock to settle a portion of the professional fees incurred in connection with its registration statement. No negotiations have taken place with any professional and no assurances can be made as to the likelihood that any professional will accept shares in settlement of obligations due to them.

As of June 30, 2018, total liabilities increased to \$76,530 from \$6,169 as of December 31, 2017, mainly because the Company accrued sums for inventory, website development, professional fees, filing and compliance fees, etc., to engage in corporate changes through FINRA, maintain the company's listed status acquire assets for the Company's new business plan and operations.

### **Going Concern**

Our auditor has issued a "going concern" qualification as part of its opinion in the Audit Report for the year ending December 31, 2017, and our unaudited financial statements for the six months ended June 30, 2018, include a "going concern" note disclosing that our ability to continue as a going concern is contingent on us being able to raise working capital to grow our operations and generate revenue.

### **Critical Accounting Policies**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the financial statements and accompanying notes. The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of the company's financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. We believe that our estimates and assumptions are reasonable under the circumstances; however, actual results may vary from these estimates and assumptions.

### **Recently Issued Accounting Pronouncements**

In the second quarter of 2018 the Company elected to adopt ASU 2018-07 which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. ASU 2018-07 requires an entity to use a modified retrospective transition approach, with a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year. Upon adoption the Company recorded an adjustment to the first quarter of 2018 of \$188,165.

### **Off-Balance Sheet Arrangements**

We have not entered into 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 and would be considered material to investors.

### **Contractual Obligations**

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

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

## **ITEM 4. CONTROLS AND PROCEDURES.**

### **Evaluation of Disclosure Controls and Procedures**

We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term “disclosure controls and procedures”, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (“Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of June 30, 2018, that our disclosure controls and procedures are not effective at a reasonable assurance level and are designed to provide reasonable assurance that the controls and procedures will meet their objectives due to the material weaknesses described below. However, it should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

### **Management’s Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed 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. The internal controls for the Company are provided by executive management’s review and approval of all transactions. Our internal control over financial reporting also includes those policies and procedures that:

- (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with the authorization of our management; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of June 30, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations (“COSO”) of the Treadway Commission in Internal Control-Integrated Framework. Management’s assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of these controls.

Based on this assessment, management has concluded that as of September 30, 2017, our internal control over financial reporting was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles due to the existence of the following material weaknesses:

- Lack of segregation of duties
- Lack of audit committee and independent directors
- Lack of well established procedures to authorize and approve related party transactions

Although we are unable to meet the standards under COSO because of the limited resources available to a company of our size, we are committed to improving our financial organization. As funds become available, we will undertake to: (1) create a position to segregate duties consistent with control objectives, (2) increase our personnel resources and technical accounting expertise within the accounting function (3) appoint one or more independent directors to our board of directors who shall be appointed to a Company audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures; and (4) prepare and implement sufficient written policies and checklists which will set forth procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements.

We will continue to monitor and evaluate the effectiveness of our disclosure controls and procedures and our internal control over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in the Company's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II -- OTHER INFORMATION

### Item 1. Legal Proceedings.

The Company is not a party to any legal proceeding or litigation.

### Item 1A. Risk Factors.

As a “smaller reporting company”, we are not required to provide the information required by this Item.

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

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosure.

Not applicable.

### Item 5. Other Information.

None.

### Item 6. Exhibits.

31	<a href="#"><u>Certification of President pursuant to Exchange Act Rule 13a-14 and 15d-14.</u></a>
32	<a href="#"><u>Certification of the Company’s Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

\*\* XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

**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.

**VITALIBIS, INC.  
FORMERLY KNOWN AS SHENG YING  
ENTERTAINMENT CORP.  
(FORMERLY KNOWN AS CROWD 4 SEEDS, INC.)**

Date: August 2, 2018

By: /s/ Steven Raack  
Steven Raack  
Chief Executive Officer

**VITALIBIS, INC.**  
**(FORMERLY KNOWN AS SHENG YING ENTERTAINMENT CORP.)**  
**(FORMERLY KNOWN AS CROWD 4 SEEDS, INC.)**  
**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**  
**PURSUANT TO RULES 13A-14(A) or RULE 15D-14 (A)**

I, Steven Raack, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vitalibis (formerly known as Sheng Ying Entertainment Corp.) (formerly known as Crowd 4 Seeds, Inc.);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 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 our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2018

By: /s/ Steven Raack  
Steven Raack  
Chief Executive Officer

**VITALIBIS, INC.**  
**(FORMERLY KNOWN AS SHENG YING ENTERTAINMENT CORP.)**  
**(FORMERLY KNOWN AS CROWD 4 SEEDS, INC.)**  
**CERTIFICATION**  
**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**  
**(SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18,**  
**UNITED STATES CODE)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), the undersigned officer of Vitalibis (formerly known as Sheng Ying Entertainment Corp.) (formerly known as Crowd 4 Seeds, Inc.) (the "Company") does hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), to the best of the undersigned's knowledge that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 2, 2018

By: /s/ Steven Raack

Steven Raack  
Chief Executive Officer