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

FORM 10-K

(Mark One)
☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2019

or

□ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ____________________to ____________________

333-194748
Commission file number

HotApp Blockchain Inc.
(Exact name of registrant as specified in its charter)

Delaware	**45-4742558**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4800 Montgomery Lane, Suite 210 **Bethesda MD**	**20814**
(Address of principal executive offices)	(Zip Code)

301-971-3940
Registrant's telephone number, including area code

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ **No** ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.
Yes ☐ **No** ☑

Indicate by check mark whether the registrant (1) has filed all reports required 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☑ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☑
(Do not check if a 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 ☑

State the aggregate market value of voting and non-voting common equity held by non-affiliates computer by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter**.** The Company's common stock did not trade during the year ended December 31, 2019. As of June 30, 2019, 606,500 shares were held by non-affiliates. The most recent known price for private sales of the registrant's securities was $.50 per share, reflecting a total value for the outstanding non-affiliate shares of our common stock of $303,250.

Indicate the number of shares outstanding of each the registrant's classes of common stock, as of the latest practicable date. As of March 30, 2020, there were 506,898,576 shares outstanding of the registrant's common stock $0.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

-None

Throughout this Report on Form 10-K, the terms "Company," "we," "us" and "our" refer to HotApp Blockchain Inc., and "our board of directors" refers to the board of directors of HotApp Blockchain Inc.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve a number of risks and uncertainties. Although our forward-looking statements reflect the good faith judgment of our management, these statements can be based only on facts and factors of which we are currently aware. Consequently, forward-looking statements are inherently subject to risks and uncertainties. Actual results and outcomes may differ materially from results and outcomes discussed in the forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking words such as "may," "will," "should," "anticipate," "believe," "expect," "plan," "future," "intend," "could," "estimate," "predict," "hope," "potential," "continue," or the negative of these terms or other similar expressions. These statements include, but are not limited to, statements under the captions "Risk Factors," "Management's Discussion and Analysis or Plan of Operation" and "Description of Business," as well as other sections in this report. Such forward-looking statements are based on our management's current plans and expectations and are subject to risks, uncertainties and changes in plans that may cause actual results to differ materially from those anticipated in the forward-looking statements. You should be aware that, as a result of any of these factors materializing, the trading price of our common stock may decline. These factors include, but are not limited to, the following:

- the availability and adequacy of capital to support and grow our business;
- economic, competitive, business and other conditions in our local and regional markets;
- actions taken or not taken by others, including competitors, as well as legislative, regulatory, judicial and other governmental authorities;
- competition in our industry;
- changes in our business and growth strategy, capital improvements or development plans;
- the availability of additional capital to support development; and
- other factors discussed elsewhere in this annual report.

The cautionary statements made in this annual report are intended to be applicable to all related forward-looking statements wherever they may appear in this report.

We urge you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly update any forward looking-statements, whether as a result of new information, future events or otherwise.

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PART I

PART I

Item 1. Business.

Business Description

HotApp Blockchain Inc., formerly HotApp International, Inc. (the “Company” or “Group”) was incorporated in the State of Delaware on March 7, 2012 and established a fiscal year end of December 31. The Company’s initial business plan was to be a financial acquisition intermediary which would serve buyers and sellers for companies that are in highly fragmented industries. Our Board determined it was in the best interest of the Company to expand our business plan. On October 15, 2014, through a sale and purchase agreement, the Company acquired all the issued and outstanding stock of HotApps International Pte Ltd (“HIP”) from Singapore eDevelopment Limited (“SeD”). SeD is presently our largest stockholder. HIP owned certain intellectual property relating to instant messaging for portable devices (referred to herein as the “HotApp Application”).

The HotApp Application is a cross-platform mobile application that incorporates instant messaging and ecommerce. This application can be used on any mobile platform (i.e. IOS Online or Android). The HotApp Application offered messaging and calling services for HotApp Application users (text, photo, audio); however, the messaging and calling services we offered were terminated in 2017.

On December 29, 2017, our Board approved a change of the Company’s name from “HotApp International, Inc.” to “HotApp Blockchain Inc.” to reflect the Board’s determination that it was in the best interest of the Company to expand its activities to include the development and commercialization of blockchain-related technologies. One area we are presently exploring is providing technology consulting for security token offerings (“STO”). Such services, which have not yet commenced commercially, would include STO white paper development, technology design and web development. We intend to outsource certain aspects of these projects to potential partners we have identified. We have no plans to launch our own token offering, but rather may develop technologies that could facilitate such offerings by other companies.

We believe that the increasing acceptance of distributed ledger technologies by potential customers will benefit us. The growth of network marketing throughout the world would impact our technologies that target that industry. In this rapidly evolving field, however, technology is advancing quickly and it is possible that our competitors could create products that gain market acceptance before our products.

In 2018, one of our main developments was a broadening of our scope of planned operations into a digital transformation technology business. As a digital transformation technology business, we are committed to enabling enterprises we work with to engage in a digital transformation by providing consulting, implementation and development services with various technologies, including instant messaging, blockchain, e-commerce, social media and payment solutions. We continue to be involved in mobile application product development and other businesses, providing information technology services to end-users, service providers and other commercial users through multiple platforms.

We are focused on serving business-to-business (B2B) needs in e-commerce, collaboration and supply chains. We will help enterprises and community users to transform their business model with digital economy in a more effective manner. With our platform, users can discover and build their own communities and create valuable content. Enterprises can in turn enhance the user experience with premium content, all of which are facilitated by the transactions of every stakeholder via e-commerce.

Our technology platform consists of instant messaging systems, social media, e-commerce and payment systems, network marketing platforms and e-real estate. We are focused on business-to-business solutions such as enterprise messaging and workflow. We have successfully implemented several strategic platform developments for clients, including a mobile front-end solution for network marketing, a hotel e-commerce platform for Asia and a real estate agent management platform in China. We have also enhanced our technological capability from mobile application development to include blockchain architectural design, allowing mobile-friendly front-end solutions to integrate with software platforms. Our main digital assets at the present time are our applications. Our emphasis will be on developing solutions and providing services.

In January 2017, we entered into a revenue-sharing agreement with iGalen, a network marketing company selling health products (SeD, our majority stockholder, is also a significant stockholder of iGalen). Under the agreement, we customized a secure app for iGalen's communication and management system. The app enables mobile friendly backend access for iGalen Inc. members, among other functions. We are continuing to improve this secure app. In particular, we intend to utilize blockchain supply logistics to improve its functions (the original iGalen app did not utilize the latest distributed ledger technology). Once the improvements to this technology are completed, and initially utilized by iGalen, We intend to then attempt to sell similar services to other companies engaged in network marketing, as members of our management have a particular experience offering services to that industry and we believe our solutions are particularly suited to that industry's needs. This app can be modified to meet the specific needs of any network marketing company. We believe that these technologies will, among other benefits, make it easier for network marketing companies to securely and effectively manage their systems of compensation. Our current plan is to commence sales of this technology in 2020.

As of December 31, 2019, details of the Company's subsidiaries were as follows:

Subsidiaries	Date of Incorporation	Place of Incorporation	Percentage of Ownership
1st Tier Subsidiary:			
HotApps International Pte Ltd ("HIP")	May 23, 2014	Republic of Singapore	100% by Company
Crypto Exchange Inc.	December 15, 2017	State of Nevada, the United States of America	100% by Company
HWH World Inc.	August 28, 2018	State of Delaware, the United States of America	100% by Company
2nd Tier Subsidiaries:			
HWH World Pte. Ltd. (formerly known as Crypto Exchange Pte. Ltd.)	September 15, 2014	Republic of Singapore	100% owned by HIP
HotApp International Limited*	July 8, 2014	Hong Kong (Special Administrative Region)	100% owned by HIP

* On March 25, 2015, HotApps International Pte Ltd ("HIP") acquired 100% of issued share capital in HotApp International Limited.

Our Plan of Operations

We believe that we have significant opportunities to further enhance the value we deliver to our users. We intend to pursue the following strategy:

- continual focus in business-to-business market;
- identify strategic partnership opportunities in digital transformation for enterprises

Achieved and Target Milestones

In 2019, we have achieved the following milestones:

- continuous enhancement of the B2B platform;
- built a scalable Multilevel Marketing Front End App through partnership with iGalen

Over the next twelve months we plan to:

- continuous business development effort to identify licensing and solution integration opportunities on our platform

Our Business Model and User Monetization Plan

We plan to generate revenue through the following:

- white label of network marketing solutions;
- integration services for enterprises and
- blockchain related consulting services

Our Competitiveness in the Businesses in Which we Operate

With the focus on being a service provider, our competitiveness is strengthened by:

- strengthening the methodology for project management and development through continuous improvement through project engagement;
- understanding the industry's need, such as network marketing, hospitality, supply chain and engineering services;
- sharpening technology focus and continuous moving up to new area such as blockchain; and
- operating within effective overhead to reduce operational risk.

Our Challenges

Our ability to execute our growth strategies is subject to risks and uncertainties, including those relating to our ability to:

- raise additional funding for the continuous development of our technology and project and to pursue our business strategy;
- maintain the trusted status of our ecosystem;
- grow our user base, enhance user engagement and create value services for communities and enterprises;
- market and profit from our service offerings, monetize our user base and achieve profitability;
- keep up with technological developments and evolving user expectations;
- effectively manage our growth and control our costs and expenses;
- address privacy and security concerns relating to our services and the use of user information;
- identify a management team with owner mentality and proven track record; and
- changing market behavior for those using competitive platform.

Please see "Risk Factors" and other information included in this report for a detailed discussion on the above and other challenges and risks.

Our Key Competitive Strengths

We believe building the following will provide us with some key competitive strengthens:

- understanding local market needs - establish brand presence for local enterprises and communities based on the established HotApp Platform;
- thin and lean organization structure - to effectively adapt to the growth and shrink of operation based on market and sales pipelines; and
- HotApp ecosystem - to work closely with technology developers to further enhance the HotApp ecosystem to better fit local needs.

Our Technology

Based on our core HotApp's infrastructure engine, we are building up additional functions on top of this stable and scalable infrastructure. The system architecture is designed in modular form so that we continue to add new applications modules while we are growing our customer base. In addition, we shall also be able to incorporate third party application module effectively to continue building localized HotApp services.

Key aspects or strengths of our technology include:

- scalable infrastructure;
- modular design to add on and modify individual HotApp offering;
- quick adaptation to third party services, such as payment and loyalty program; and
- dedicated to continuous improvement of user experience in local context.

Regulatory Matters

We are subject to the laws and regulations of those jurisdictions in which we plan to conduct our services, primarily the United States and certain countries in Asia, which are generally applicable to business operations, such as business licensing requirements, income taxes and payroll taxes. In general, the development and operation of our business is not subject to special regulatory and/or supervisory requirements. Please see “Risk Factors” and other information included in this report for further discussion on the above matters.

Employees and Employment Agreements

Since the completion of the sale of all of the issued and outstanding shares of HotApps Information Technology Co. Ltd. (also known as Guangzhou HotApps Technology Ltd.) on January 14, 2019, we have not paid any employees, and our largest stockholder, SeD, has provided staff without charge to our Company. We intend to outsource many functions of our business for the immediate future.

Insurance

We do not maintain property insurance, business interruption insurance or general third-party liability insurance, nor do we maintain product liability or key-man insurance.

Item 1A. Risk Factors.

An investment in our common stock involves a high degree of risk. Investors should carefully consider the following factors and other information before deciding to invest in our Company. If any of the following risks occur, our business, financial condition, results of operations and prospects for growth would likely suffer. As a result, you could lose all or part of your investment.

Our business is subject to numerous risk factors, including the following:

RISKS RELATED TO OUR FINANCIAL CONDITION

There is substantial doubt about the Company’s ability to continue as a going concern.

The report of Rosenberg Rich Baker Berman & Company, P.A., our independent registered public accounting firm, with respect to our financial statements at December 31, 2019 contains an explanatory paragraph as to our potential ability to continue as a going concern. As a result, this may adversely affect our ability to obtain new financing on reasonable terms or at all. Investors may be unwilling to invest in a company that will not have the funds necessary to continue to deploy its business strategies.

Failure to raise additional capital to fund future operations could harm our business and results of operations.

As reflected on our audited consolidated financial statements for the year ended December 31, 2019 contained herein, we have incurred net losses, and have a working capital deficit of $1,272,422. We will require additional financing in order to maintain our corporate existence and to implement our business plans and strategy. The timing and amount of our capital requirements will depend on a number of factors, including our operational results, the need for other expenditures, and competitive pressures. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of our then-existing stockholders will likely be reduced significantly. We cannot make assurances that any financing will be available on terms favorable to us or at all. If adequate funds are not available on acceptable terms, our ability to fund our business strategy, ongoing operations, take advantage of unanticipated opportunities, and in turn our business, financial condition and results of operations will be significantly and adversely affected.

RISKS RELATED TO OUR BUSINESS

Management has identified a material weakness in the design and effectiveness of our internal controls, which, if not remediated could affect the accuracy and timeliness of our financial reporting and result in misstatements in our financial statements.

In connection with the preparation of our Report on Form 10-K, an evaluation was carried out by management, with the participation of our Acting Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of December 31, 2019. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that such information is accumulated and communicated to management, including the Acting Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During evaluation of disclosure controls and procedures as of December 31, 2019 conducted as part of our annual audit and preparation of our annual financial statements, management conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective. Management determined that at December 31, 2019, we had a material weakness that relates to the relatively small number of staff who have bookkeeping and accounting functions (this staff is provided by SeD, our largest shareholder, at no cost to us). This limited number of staff prevents us from segregating duties within our internal control system.

This material weakness, which remained unremediated by the company as of December 31, 2019, could result in a misstatement to the accounts and disclosures that would result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected. If we do not remediate the material weakness or if other material weaknesses are identified in the future, we may be unable to report our financial results accurately or to report them on a timely basis, which could result in the loss of investor confidence and have a material adverse effect on our stock price as well as our ability to access capital and lending markets.

Our Company cannot predict if it can achieve profitable operations.

The Company has only had limited operations to date and requires significant additional financing to reach its projected milestones, which include further product development, product marketing and general overhead expenditures. It may be difficult for the Company to attract funding necessary to reach its projected milestones. Moreover, even if it achieves its projected milestones, the Company cannot predict whether it will reach profitable operations.

The coronavirus or other adverse public health developments could have a material and adverse effect on our business operations, financial condition and results of operations.

In December 2019, a novel strain of coronavirus was first identified in Wuhan, Hubei Province, China, and has since spread to a number of other countries, including the United States. The coronavirus' far-reaching impact on the global economy could negatively affect various aspects of our business. In addition, the coronavirus could directly impact the ability of our staff and service providers to continue to work, and our ability to conduct our operations in a prompt and efficient manner. Accordingly, the coronavirus may cause the completion of important stages in our projects to be delayed. The extent to which the coronavirus may impact our business will depend on future developments, which are highly uncertain and cannot be predicted.

Our business is highly competitive. Competition presents an ongoing threat to the success of our business.

We face significant competition in every aspect of our business, including from companies that provide tools to facilitate the sharing of information, companies that enable marketers to display advertising and companies that provide development platforms for applications developers. We compete with companies that offer full-featured products that replicate the range of communications and related capabilities we provide. We also compete with companies that develop applications, particularly mobile applications, that provide social or other communications functionality, such as messaging, photo- and video-sharing and micro-blogging, and companies that provide web- and mobile-based information and entertainment products and services that are designed to engage users and capture time spent online and on mobile devices. In addition, we face competition from traditional, online, and mobile businesses that provide media for marketers to reach their audiences and/or develop tools and systems for managing and optimizing advertising campaigns.

Most, if not all, of our current and potential competitors may have significantly greater resources or better competitive positions in certain product segments, geographic regions or user demographics than we do. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions.

Our competitors may develop products, features, or services that are similar to ours or that achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. Certain competitors could use strong or dominant positions in one or more markets to gain competitive advantage against us in our target market or markets. As a result, our competitors may acquire and engage users or generate revenue at the expense of our own efforts, which may negatively affect our business and financial results.

We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance, and reliability of our products compared to our competitors' products, particularly with respect to mobile products;
- the size and composition of our user base;
- the engagement of our users with our products and competing products;
- the timing and market acceptance of products, including developments and enhancements to our or our competitors' products;
- our ability to monetize our products;
- customer service and support efforts;
- acquisitions or consolidation within our industry, which may result in more formidable competitors;
- our ability to attract, retain, and motivate talented employees, particularly software engineers, designers, and product managers;
- our ability to cost-effectively manage and grow our operations; and
- our reputation and brand strength relative to those of our competitors.

The regulatory situation regarding ICOs and STOs is dynamic, and may experience changes that could impact our ability to provide consulting and other services in this field.

ICOs and STOs are currently perceived by the public as vulnerable to misrepresentation, fraud and manipulation. There is a strong possibility that regulators will make policies to control the risks associated with ICOs and STOs that might adversely impact our ability to provide consulting and other services related to ICOs and STOs.

We are a development stage company and we may never generate significant revenues which could cause our business to fail.

We are a development stage company and have generated limited revenues as of the date of this Report. Since inception, the Company has incurred net losses of $5,616,908 and has net working capital deficit of $1,272,422 at December 31, 2019. We expect to operate with net losses for the next financial year-ending December 31, 2020 or longer. We cannot predict the extent of these future net losses, or when we may attain profitability, if at all. If we are unable to generate significant revenue or attain profitability, we will not be able to sustain operations and will have to curtail significantly or cease operations.

We have a limited operating history that investors can use to evaluate us, and the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company.

We were incorporated in Delaware on March 7, 2012. We have no significant financial resources and have recorded minimal revenues, including no revenues in the year ended December 31, 2019. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company starting a new business enterprise and the highly competitive environment in which we will operate. Since we have a limited operating history, we cannot assure you that our business will be profitable or that we will ever generate sufficient revenues to meet our expenses and support our anticipated activities.

If we do not successfully develop new products and services, our business may be harmed.

Our business and operating results may be harmed if we fail to expand our various product and service offerings (either through internal product or capability development initiatives or through partnerships and acquisitions) in such a way that achieves widespread market acceptance or that generates significant revenue and gross profits to offset our operating and other costs. We may not successfully identify, develop and market new product and service offerings in a timely manner. If we introduce new products and services, they may not attain broad market acceptance or contribute meaningfully to our revenue or profitability. Competitive or technological developments may require us to make substantial, unanticipated capital expenditures in new products and technologies or in new strategic partnerships, and we may not have sufficient resources to make these expenditures. Because the markets for many of our products and services are subject to rapid change, we may need to expand and/or evolve our product and service offerings quickly. Delays and cost overruns could affect our ability to respond to technological changes, evolving industry standards, competitive developments or customer requirements and harm our business and operating results.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business.

We depend on the services and performance of our key personnel, including Mr. Chan Heng Fai and Mr. Lum Kan Fai. The loss of key personnel, including members of management, could disrupt our operations and have an adverse effect on our business.

Each of Mr. Chan and Mr. Lum are engaged in other business ventures, including other technology-related businesses. In order to successfully implement our businesses plans, we will need to recruit additional qualified personnel.

We may incur significant costs to be a public company to ensure compliance with U.S. corporate governance and accounting requirements, and we may not be able to absorb such costs.

We may incur significant costs associated with our public company reporting requirements, costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the Securities and Exchange Commission. We expect these costs to equal at least $50,000 per year, consisting of $10,000 in legal, $35,000 in audit and $5,000 for financial printing and transfer agent fees. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We may not be able to cover these costs from our operations' revenue and may need to raise or borrow additional funds. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these newly applicable rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. In addition, we may not be able to absorb these costs of being a public company which will negatively affect our business operations.

Singapore eDevelopment Limited owns a significant amount of the outstanding common stock of the Company and could take actions which other investors may deem as detrimental to the Company.

Singapore eDevelopment Limited beneficially owns approximately 99.852% of the outstanding common stock of our Company as of the date of this filing. Through this ownership, this stockholder has the ability to substantially influence our board, our management, and our policies and business operations. In addition, the rights of the holders of our common stock will be subject to and may be adversely affected by, the rights of holders of any preferred stock that may be issued in the future. Because of this majority ownership, SeD may cause the Company to engage in business combinations without having to seeking other stockholders' approval.

Such concentration of ownership also may have the effect of delaying or preventing a change in control, which may be to the benefit of this one stockholder but not in the interest of the other investors. Additionally, minority stockholders would not be able to obtain the necessary stockholder vote to affect any change in the course of our business. This concentration of control could prevent minority stockholders from removing from our Board directors who may be perceived as not performing at an appropriate level.

We may face liability for information displayed on or accessible via our website, and for other content and commerce-related activities, which could cause us to suffer losses.

We could face claims for errors, defamation, negligence, copyright or trademark infringement based on the nature and content of information displayed on or accessible via our website, which could adversely affect our financial condition. Even to the extent that claims made against us do not result in liability, we may incur substantial costs in investigating and defending such claims.

Our insurance, if any, may not cover all potential claims to which we might be exposed to or may not be adequate to indemnify us for all liabilities that we may incur. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage would cause us to suffer losses.

If our costs and expenses are greater than anticipated and we are unable to raise additional working capital, we may be unable to fully fund our operations and to otherwise execute our business plan.

We do not currently have sufficient funds or any agreements for additional funds, for us to continue our business for the next 12 months. Should our costs and expenses prove to be greater than we currently anticipate, or should we change our current business plan in a manner that will increase or accelerate our anticipated costs and expenses, the depletion of our working capital would be accelerated. To the extent it becomes necessary to raise additional cash in the future as our current cash and working capital resources are depleted, we will seek to raise it through the public or private sale of debt or equity securities, funding from joint-venture or strategic partners, debt financing or short-term loans, or a combination of the foregoing. We may also seek to satisfy indebtedness without any cash outlay through the private issuance of debt or equity securities. We currently do not have any binding commitments for, or readily available sources of, additional financing. We cannot give you any assurance that we will be able to secure the additional cash or working capital that we may require to continue our operations.

If we require additional capital and even if we are able to raise additional financing, we might not be able to obtain it on terms that are not unduly expensive or burdensome to the Company or disadvantageous to our existing stockholders.

If we require additional capital and even if we are able to raise additional cash or working capital through the public or private sale of debt or equity securities, funding from joint-venture or strategic partners, debt financing or short-term loans, or the satisfaction of indebtedness without any cash outlay through the private issuance of debt or equity securities, the terms of such transactions may be unduly expensive or burdensome to the Company or disadvantageous to our existing stockholders. For example, we may be forced to sell or issue our securities at significant discounts to market, or pursuant to onerous terms and conditions, including the issuance of preferred stock with disadvantageous dividend, voting or veto, board membership, conversion, redemption or liquidation provisions; the issuance of convertible debt with disadvantageous interest rates and conversion features; the issuance of warrants with cashless exercise features; the issuance of securities with anti-dilution provisions; and the grant of registration rights with significant penalties for the failure to quickly register. If we raise debt financing, we may be required to secure the financing with all of our business assets, which could be sold or retained by the creditor should we default in our payment obligations.

We may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure that our services and solutions are accessible within an acceptable load time. Additionally, other catastrophic occurrences beyond our control could interfere with access to our services.

A key element to our potential growth is the ability of our users (whom we define as anyone who downloads and uses the app) in all geographies to access our services and solutions within acceptable load times. We may, in the future, experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, and denial of service, fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these website performance problems within an acceptable period of time. If our services are unavailable when users attempt to access them as quickly as they expect, users may seek other services to obtain the information for which they are looking, and may not return to use our services as often in the future, or at all. This would negatively impact our ability to attract new users and increase engagement of our existing users. We expect to continue to make significant investments to maintain and improve mobile application performance and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be harmed.

Our systems are also vulnerable to damage or interruption from catastrophic occurrences such as earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks and other similar events. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems could result in lengthy interruptions in our services.

We do not carry business interruption insurance sufficient to compensate us for the potentially significant losses, including the potential harm to the growth of our business that may result from interruptions in our services as a result of system failures.

If our security measures are compromised, or if our websites are subject to attacks that degrade or deny the ability of members or customers to access our solutions, or if our member data is compromised, members and customers may curtail or stop to use our solutions.

Our applications will involve the collection, processing, storage, sharing, disclosure and usage of members' and customers' information and communications, some of which may be private. We are vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other attacks and similar disruptions from unauthorized use of our computer systems, any of which could lead to interruptions, delays, or website shutdowns, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. If we experience compromises to our security that result in website performance or availability problems, the complete shutdown of our websites, or the loss or unauthorized disclosure of confidential information, such as credit card information, our members or customers may be harmed or lose trust and confidence in us, and decrease the use of our website and services or stop using our services in their entirety, and we would suffer reputational and financial harm.

In addition, we could be subject to regulatory investigations and litigation in connection with a security breach or related issues, and we could also be liable to third parties for these types of breaches. Such litigation, regulatory investigations and our technical activities intended to prevent future security breaches are likely to require additional management resources and expenditures. If our security measures fail to protect this information adequately or we fail to comply with the applicable credit card association operating rules, we could be liable to both our customers for their losses, as well as the vendors under our agreements with them. In addition, we could be subject to fines and higher transaction fees, we could face regulatory action, and our customers and vendors could end their relationships with us. Any of these developments could harm our business and financial results.

Public scrutiny of internet privacy and security issues may result in increased regulation and different industry standards, which could deter or prevent us from providing our current products and solutions to our members and customers, thereby harming our business.

The regulatory framework for privacy and security issues worldwide is evolving and is likely to remain in flux for the foreseeable future. Practices regarding the collection, use, storage, display, processing, transmission and security of personal information by companies offering online services have recently come under increased public scrutiny. The U.S. government, including the White House, the Federal Trade Commission, the Department of Commerce and many state governments, are reviewing the need for greater regulation of the collection, use and storage of information concerning consumer behavior with respect to online services, including regulation aimed at restricting certain targeted advertising practices and collection and use of data from mobile devices. The FTC in particular has approved consent decrees resolving complaints and their resulting investigations into the privacy and security practices of a number of online, social media companies. Similar actions may also impact us directly.

Our business, including our ability to operate and expand internationally or on new technology platforms, could be adversely affected if legislation or regulations are adopted, interpreted, or implemented in a manner that is inconsistent with our current business practices that may require changes to these practices, the design of our websites, mobile applications, products, features or our privacy policy. In particular, the success of our business is expected to be driven by our ability to responsibly use the data that our members share with us. Therefore, our business could be harmed by any significant change to applicable laws, regulations or industry standards or practices regarding the storage, use or disclosure of data our members choose to share with us, or regarding the manner in which the express or implied consent of consumers for such use and disclosure is obtained. Such changes may require us to modify our products and features, possibly in a material manner, and may limit our ability to develop new products and features that make use of the data that we collect from our members.

We will rely on outside firms to host our servers and to provide telecommunication connections, and a failure of service by these providers could adversely affect our business and reputation.

We will rely upon third party providers to host a number of our servers and provide telecommunication connections. In the event that these providers experience any interruption in operations or cease operations for any reason or if we are unable to agree on satisfactory terms for continued hosting relationships, we would be forced to enter into a relationship with other service providers or assume hosting responsibilities ourselves. If we are forced to switch hosting facilities, we may not be successful in finding an alternative service provider on acceptable terms or in hosting the computer server ourselves. We may also be limited in our remedies against these providers in the event of a failure of service. A failure or limitation of service or available capacity by any of these third-party providers could adversely affect our business and reputation.

Our products and internal systems rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.

Our products and internal systems rely on software, including software developed or maintained internally and/or by third parties, that is highly technical and complex. In addition, our products and internal systems depend on the ability of such software to store, retrieve, process and manage immense amounts of data. The software on which we rely has contained, and may now or in the future contain, undetected errors, bugs or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software on which we rely may result in a negative experience for users and marketers who use our products, delay product introductions or enhancements, result in measurement or billing errors or compromise our ability to protect the data of our users and/or our intellectual property. Any errors, bugs or defects discovered in the software on which we rely could result in damage to our reputation, loss of users, loss of revenue or liability for damages, any of which could adversely affect our business and financial results.

A significant or prolonged economic downturn would have a material adverse effect on our results of operations.

Our results of operations are expected to be affected by the level of business activity of our users, many of whom are expected to be businesses. These businesses, in turn, can be affected by general economic conditions and the level of economic activity in the industries and markets that they serve. On an aggregate basis, our clients may be less likely to hire as many senior executives or consultants during economic downturns and periods of economic uncertainty. To the extent our clients delay or reduce hiring senior executives or consultants due to an economic downturn or economic uncertainty, our results of operations will be adversely affected. A continued economic downturn or period of economic uncertainty and a decline in the level of business activity of our clients would have a material adverse effect on our business, financial condition and results of operations.

Any intellectual property rights we develop will be valuable and any inability to protect them could reduce the value of our products, services and brand.

Any trademarks, trade secrets, copyrights and other intellectual property rights that we develop will be important assets to us. There can be no assurance that the protections provided by these intellectual property rights will be adequate to prevent our competitors from misappropriating our technology or that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology. There are events that are outside of our control that could pose a threat to our intellectual property rights. Additionally, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results.

We may be subject to intellectual property rights claims in the future, which may be costly to defend, could require the payment of damages and could limit our ability to use certain technologies in the future.

Companies in the Internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As our product usage becomes more wide-spread, the possibility of intellectual property rights claims increases. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products and services to others and may require that we procure substitute products or services for these members.

With respect to any intellectual property rights claim, we may have to pay damages or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase our operating expenses. The technology also may not be available for license to us at all. As a result, we also may be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any infringing aspects of our business in the future, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and operating results.

RISKS RELATED TO OUR COMMON STOCK

Once publicly trading, the application of the "penny stock" rules could adversely affect the market price of our common shares and increase your transaction costs to sell those shares.

The Securities and Exchange Commission has adopted Rule 15g-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

- that a broker or dealer approve a person's account for transactions in penny stocks; and
- that a broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made concerning the risks of investing in penny stocks in both public offerings and in secondary trading and regarding the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

We do not expect to pay dividends in the future; any return on investment may be limited to the value of our common stock.

We do not currently anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the Board of Directors may consider relevant. Our current intention is to apply net earnings, if any, in the foreseeable future to increasing our capital base and development and marketing efforts. There can be no assurance that the Company will ever have sufficient earnings to declare and pay dividends to the holders of our common stock, and in any event, a decision to declare and pay dividends is at the sole discretion of our Board of Directors. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

Our common stock price is likely to be highly volatile which may subject us to securities litigation thereby diverting our resources which may affect our profitability and results of operation.

Once listed, due to the nature of our Company and its business, the market price for our common stock is expected to be limited and highly volatile. The following factors will add to our common stock price's volatility:

- the number of users of our applications;
- actual or anticipated variations in our quarterly operating results;
- announcements of acquisitions;
- additions or departures of our key personnel; and
- sales of our common stock.

Some of these factors are beyond our control. These factors may decrease the market price of our common stock, regardless of our operating performance. In the past, plaintiffs have initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may be the target of similar litigation in the future. Securities litigation could result in substantial costs and liabilities and could divert management’s attention and resources.

In addition, as a result of the expected volatility of our stock price, investors may be unable to resell their shares at a fair price or at a price lower than their entry price.

The trading market for our common stock may be limited.

If a market for our common stock develops, it is expected to be limited and thinly traded, and we can provide no assurance to investors that a more robust market will develop. If a market for our common stock does not develop, our stockholders may not be able to resell the shares of our common stock they have purchased and they may lose all of their investment.

By issuing preferred stock, we may be able to delay, defer, or prevent a change of control.

Our Articles of Incorporation permit us to issue, without approval from our stockholders, a total of 15,000,000 shares of preferred stock. Our Board of Directors can determine the rights, preferences, privileges and restrictions granted to, or imposed upon, the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series. It is possible that our Board of Directors, in determining the rights, preferences and privileges to be granted when the preferred stock is issued, may include provisions that have the effect of delaying, deferring or preventing a change in control, discouraging bids for our common stock at a premium over the market price, or that adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock.

We have not voluntarily implemented various corporate governance measures, in the absence of which stockholders may have more limited protections against interested director transactions, conflicts of interests and similar matters.

We have not yet adopted any corporate governance measures and, since our securities are not yet listed on a national securities exchange, we are not required to do so. We have not adopted corporate governance measures such as an audit or other independent committees of our Board of Directors as we presently have only one independent director. If we expand our board membership in future periods to include additional independent directors, we may seek to establish an audit and other committees of our Board of Directors. It is possible that if our Board of Directors included additional independent directors and if we were to adopt some or all of these corporate governance measures, stockholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

Securities analysts may not cover our common stock and this may have a negative impact on our common stock’s market price.

The trading market for our common stock in the future may depend on the research and reports that securities analysts publish about us or our business. We do not have any control over these analysts. There is no guarantee that securities analysts will cover our common stock. If securities analysts do not cover our common stock, the lack of research coverage may adversely affect our common stock’s market price, if any. If we are covered by securities analysts, and our stock is downgraded, our stock price would likely decline. If one or more of these analysts ceases to cover us or fails to publish regularly reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

Since some members of our board of directors are not residents of the United States and certain of our assets are located outside of the United States, you may not be able to enforce a U.S. judgment for claims you may bring against such directors or assets.

Several members of our senior management team, including our Acting Chief Executive Officer and Chief Financial Officer, have their primary residences and business offices in Asia, and a portion of our assets and a substantial portion of the assets of these directors are located outside the United States. As a result, it may be more difficult for you to enforce a lawsuit within the United States against these non-U.S. residents than if they were residents of the United States. Also, it may be more difficult for you to enforce any judgment obtained in the United States against our assets or the assets of our non-U.S. resident management located outside the United States than if these assets were located within the United States. We cannot assure you that foreign courts would enforce liabilities predicated on U.S. federal securities laws in original actions commenced in such foreign jurisdiction, or judgments of U.S. courts obtained in actions based upon the civil liability provisions of U.S. federal securities laws.

Item 1B. Unresolved Staff Comments.

Not Applicable

Item 2. Properties

Our US office is located at 4800 Montgomery Lane, Suite 210, Bethesda MD 20814. We occupy one office at this location free of rent based on a month-to-month arrangement with an affiliate of SeD, the Company's largest stockholder.

Item 3. Legal Proceedings.

The Company is not a party to any proceedings, and no such proceedings are known to be contemplated.

There are no material proceedings to which any director, officer or affiliate of the Company, or any beneficial owner of record of more than five percent of any class of voting securities of the Company, or any associate of any such director, office, affiliate of the Company, or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Item 4. Mine Safety Disclosure.

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Presently, there is no established public trading market for our shares of common stock. On June 9, 2015, the Financial Industry Regulatory Authority ("FINRA"), cleared the Company's request under Rule 15c2-11 for an unpriced quotation on the OTC Bulletin Board and in OTC Link under the symbol HTPN. Since that time, through the date of this Annual Report, the Company has not had any trading in its stock. The Company's stock symbol has been changed to HTBC to reflect the Company's new name.

Holders

As of the date of this filing, we had 63 stockholders of our common stock.

Dividends

Since inception we have not paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our Board of Directors will have the discretion to declare and pay dividends in the future. Payment of dividends in the future will depend upon our earnings, capital requirements and other factors, which our Board of Directors may deem relevant.

Securities authorized for issuance under equity compensation plans

On July 30, 2018, the Company adopted an Equity Incentive Plan (the "Plan"). The Plan is intended to encourage ownership of our shares by employees, directors and certain consultants to the Company, in order to attract and retain such people, to induce them to work for the benefit of the Company. The Plan provides for the grant of options and/or other stock-based or stock-denominated awards. Subject to adjustment in accordance with the terms of the Plan, 50,000,000 shares of Common Stock of the Company have been reserved for issuance pursuant to awards under the Plan. The Plan will be administered by the Company's Board of Directors. This Plan shall terminate ten (10) years from the date of its adoption by the Board of Directors. The Plan was approved by the stockholder holding a majority of the Company's issued and outstanding shares of common stock.

Recent sales of unregistered securities; use of proceeds from registered securities

On March 27, 2017, the Company sold 500,988,889 shares of common stock to SeD in exchange for the conversion of $450,890 of debt owed by the Company to SeD at a conversion price of $0.0009 per share. The issuance of these shares was completed in accordance with the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended.

Performance Graph

Not applicable to smaller reporting companies.

Purchases of Equity Securities by the issuer and affiliated purchasers

During the period covered by this report, the Company did not repurchase any shares of the Company's common stock.

Item 6. Selected Financial Data.

Not applicable to smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019 COMPARED TO YEAR ENDED DECEMBER 31, 2018

Results of Operations

For the years ended December 31, 2019 and 2018

Revenue

Revenue consists primarily of the services rendered on software projects. Some of the projects require significant software production. The Company had no revenue during the year ended December 31, 2019. In 2018, three projects were completed, one of which was started in 2017. Total revenue for the year ended December 31, 2018 for continuing operations were $140,652, including $115,135 from related parties. Total revenue for the year ended December 31, 2018 for discontinued operations were $7,325.

Cost of revenue

Cost of revenue consists primarily of salary and outside consulting expenses incurred directly by the projects. Total cost of revenue for the years ended December 31, 2019 and 2018 for continuing operations were $0 and $74,129, respectively. Total cost of revenue for the years ended December 31, 2019 and 2018 for discontinued operations were $0 and $4,527, respectively.

General and Administrative

General and administrative expenses consist primarily of salary and benefits, professional fees, rental expenses and maintenance expenses of existing software framework. We expect to maintain our general and administrative expenses with moderate changes in line with business activities. Total general and administrative expenses for the years ended December 31, 2019 and 2018 for continuing operations were $323,585 and $413,922, of which $0 and $7,842 were depreciation expenses, respectively. Total general and administrative expenses for the years ended December 31, 2019 and 2018 for discontinued operations were $3,710 and $99,726, of which $48 and $6,544 were depreciation expenses, respectively.

Other (Expenses) / Income

For the years ended December 31, 2019 and 2018, we have incurred a net balance of $34,113 and $(43,641) in foreign exchange gain/(loss), of which $0 and $168 are realized foreign exchange gain, $299,255 and $0 in gain on disposal of investment, $0 and $(8,303) in (loss) on disposal of fixed assets, and $55 and $22 in interest income, respectively for continuing operations. For the years ended December 31, 2019 and 2018, we have incurred $(2) and $(236) in unrealized foreign exchange (loss), and $0 and $415 in other sundry income, respectively for discontinued operations.

Liquidity and Capital Resources

At December 31, 2019, we had cash of $55,752, working capital deficit of $1,272,422. The decrease in cash and increase in working capital deficit during year 2019 were primarily due to incurred operating losses.

We had a total stockholders' deficit of $1,272,320 and an accumulated deficit of $5,616,908 as of December 31, 2019 compared with a total stockholders' deficit of $1,193,272 and an accumulated deficit of $5,623,034 as of December 31, 2018. This difference is primarily due to the net effect of the net income incurred and the loss in foreign currency translation with depreciation in US dollar, the presentation currency during the year.

For the year ended December 31, 2019, we recorded a net income of $6,126.

We had net cash used in operating activities of $389,488 for the year ended December 31, 2019. We had a positive change of $588 due to prepaid expenses and a positive change of $462 due to security deposit and other assets. We had a negative change of $100,000 due to promissory note of a related party. We had a negative change of $12,756 due to accounts payable and accrued expenses.

For the year ended December 31, 2018, we recorded a net loss of $496,070.

We had net cash used in operating activities of $327,476 for the year ended December 31, 2018. We had a positive change of $57,698 due to accounts receivable. We had a positive change of $6,944 due to prepaid expenses and a positive change of $7,928 due to security deposit and other assets. We had a positive change of $29,458 due to accounts payable and accrued expenses.

In the year ended December 31, 2019, we spent $102 in other non-current assets and have a net cash inflow $68,940 on the disposal of subsidiary, resulting in net cash provided by investing activities of $68,838 for the year.

In the year ended December 31, 2018, we spent $1,517 on the acquisition of fixed assets, resulting in net cash used in investing activities of $1,517 for the year.

For the year ended December 31, 2019, we had net cash provided by financial activities of $274,867 due to advances from related parties.

For the year ended December 31, 2018, we had net cash provided by financial activities of $301,897 due to advances from related parties.

We will need to raise additional capital through equity or debt financings. However, we cannot be certain that such capital (from SeD or third parties) will be available to us or whether such capital will be available on a term that is acceptable to us. Any such financing likely would be dilutive to existing stockholders and could result in significant financial and operating covenants that would negatively impact our business. If we are unable to raise sufficient additional capital on acceptable terms, we will have insufficient funds to operate our business and pursue our business plan.

Consistent with Section 144 of Delaware General Corporation Law, it is our current policy that all transactions between us and our officers, directors and their affiliates will be entered into only if such transactions are approved by a majority of the disinterested directors, are approved by vote of the stockholders, or are fair to us as corporation as of the time it is authorized, approved or ratified by the board. We will conduct an appropriate review of all related party transactions on an ongoing basis.

Critical Accounting Policies

Our discussion and analysis of the financial condition and results of operations are based upon the Company’s financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. Because of the uncertainty inherent in these matters, actual results could differ from the estimates we use in applying the critical accounting policies. Certain of these critical accounting policies affect working capital account balances, including the policies for revenue recognition, allowance for doubtful accounts, inventory reserves and income taxes. These policies require that we make estimates in the preparation of our financial statements as of a given date.

Within the context of these critical accounting policies, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

Revenue recognition

Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The Company adopted this new standard on January 1, 2018 under the modified retrospective method to all contracts not completed as of January 1, 2018 and the adoption did not have a material effect on our financial statements but we expanded our disclosures related to contracts with customers below.

Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the Company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers over control of the promised goods or services to its customers. Costs to obtain or fulfill a contract are expensed as incurred.

Disaggregation of Revenue

We generate revenue from a project involving provision of services and web/software development for customers. In respect to the provision of services, the agreements are less than one year with cancellable clause and customers are typically billed on a monthly basis. The following table depicts the disaggregation of revenue according to revenue type and is consistent with how we evaluate our financial performance:

	For the year ended December 31, 2019		
	Provision of Services	Web / Software Development	Total
Primary Geographical Markets			
Continuing operations			
North America	$ -	$ -	$ -
Asia	-	-	-
	$ -	$ -	$ -
Discontinued operations			
Asia	$ -	$ -	$ -
	$ -	$ -	$ -
Timing of Revenue Recognition			
Goods transferred at a point in time	$ -	$ -	$ -
Services transferred over time	-	-	-
	$ -	$ -	$ -

	For the year ended December 31, 2018		
	Provision of Services	Web / Software Development	Total
Primary Geographical Markets			
Continuing operations			
North America	$ 115,135	$ -	$ 115,135
Asia	-	25,517	25,517
	$ 115,135	$ 25,517	$ 140,652
Discontinued operations			
Asia	$ -	$ 7,325	$ 7,325
	$ -	$ 7,325	$ 7,325
Timing of Revenue Recognition			
Goods transferred at a point in time	$ -	$ 32,842	$ 32,842
Services transferred over time	115,135	-	115,135
	$ 115,135	$ 32,842	$ 147,977

Contract assets and contract liabilities

Based on our contracts, we usually invoice our customers once our performance obligations have been satisfied, at which point payment is unconditional. Accordingly, our contracts do not give rise to contract assets or liabilities under ASC 606. Accounts receivable are recorded when the right to consideration becomes unconditional.

Remaining performance obligations

As of December 31, 2019, the aggregate amount of the transaction price allocated to the remaining performance obligation is $0.

Income taxes

Current income taxes are provided for in accordance with the laws of the relevant tax authorities. Deferred income taxes are recognized when temporary differences exist between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Net operating loss carry forwards and credits are applied using enacted statutory tax rates applicable to future years. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more-likely-than-not that a portion of or all of the deferred tax assets will not be realized. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2019 or 2018, respectively.

Recent Accounting Pronouncements

Recent accounting pronouncements

On Feb. 25, 2016, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) (the Update). The ASU requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. In July 2018, the FASB issued ASU 2018-10 and ASU 2018-11, Codification Improvements to Topic 842, Leases, amending various aspects of Topic 842. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

Topic 842 is effective for annual and interim periods beginning in the first quarter 2019, with early adoption permitted. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. We have adopted the new standard on January 1, 2019 and use the effective date as our date of initial application.

The new standard provides a number of optional practical expedients in transition. We elected the ‘package of practical expedients’, which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs, and we do not expect to elect the use-of-hindsight.

The new standard also provides practical expedients for an entity’s ongoing accounting. We elected the short-term lease recognition exemption for all leases that qualify. For those leases that qualify, we will not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. We also elected the practical expedient to not separate lease and non-lease components for all of our leases.

The adoption of Topic 842 had no material impact on the Company.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02, Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from accumulated Other Comprehensive Income, or ASU 2018-02, which requires the reclassification from accumulated other comprehensive income to retained earnings for the stranded tax effects arising from the change in the reduction of the U.S. federal statutory income tax rate to 21% from 35%. ASU 2018-02 is effective for interim and annual periods beginning after December 15, 2018. We have adopted ASU 2018-02 on January 1, 2019. The adoption of this Update had no material effect on the Company.

In June 2018, the FASB issued Accounting Standards Update No. 2018-07, which simplifies several aspects of the accounting for nonemployee share-based payment transactions resulting from expanding the scope of Topic 718, Compensation-Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. Some of the areas for simplification apply only to nonpublic entities. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. We have adopted ASU 2018-07 on January 1, 2019. The adoption of this Update had no material effect on the Company.

Off –Balance Sheet Arrangements

As of December 31, 2019, we do not have any off-balance sheet arrangements, as defined under applicable SEC rule.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements.

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of HotApp Blockchain, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of HotApp Blockchain, Inc. (the Company) as of December 31, 2019 and 2018, and the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2019 and 2018, and the related notes (collectively referred to as the financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and, 2018, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As more fully discussed in Note 1 to the consolidated financial statements, the Company has incurred net losses, net cash used in operating activities, and has a working capital deficit at December 31, 2019. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these Matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Rosenberg Rich Baker Berman P.A.

We have served as the Company's auditor since 2013.

Somerset, New Jersey

March 30, 2020

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2019 AND 2018

	December 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash	$ 55,752	$ 108,777
Accounts receivable-related parties, net of allowance	-	39,427
Accounts receivable-trade, net of allowance	-	10,216
Prepaid expenses	-	588
Deposit and other receivable	-	549
Promissory note-related parties	100,000	-
Current assets of discontinued operations	-	14,317
TOTAL CURRENT ASSETS	155,752	173,874
Other non-current assets	102	-
Non-current assets of discontinued operations	-	1,765
TOTAL ASSETS	**$ 155,854**	**$ 175,639**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 18,561	$ 59,559
Accrued taxes	7,742	7,742
Amount due to related parties	1,401,871	1,127,004
Current liabilities of discontinued operations	-	174,606
TOTAL CURRENT LIABILITIES	1,428,174	1,368,911
TOTAL LIABILITIES	1,428,174	1,368,911
STOCKHOLDERS' (DEFICIT):		
Preferred stock, $0.0001 par value, 15,000,000 shares authorized, 0 issued and outstanding as of December 31, 2019 and December 31, 2018	-	-
Common stock, $0.0001 par value, 1,000,000,000 shares authorized, 506,898,576 shares issued and outstanding, as of December 31, 2019 and December 31, 2018	50,690	50,690
Accumulated other comprehensive loss	(310,293)	(225,119)
Additional paid-in capital	4,604,191	4,604,191
Accumulated deficit	(5,616,908)	(5,623,034)
TOTAL STOCKHOLDERS' DEFICIT	(1,272,320)	(1,193,272)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 155,854**	**$ 175,639**

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

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenues:		
Service fee revenue-related party	**$ -**	**$ 115,135**
Project fees	-	25,517
	-	**140,652**
Cost of revenues	-	74,129
Gross profit	**$ -**	**$ 66,523**
Operating expenses:		
Depreciation	-	7,842
General and administrative	323,585	406,080
Total operating expenses	**323,585**	**413,922**
Loss from operations	**(323,585)**	**(347,399)**
Other income (expenses):		
Interest income	55	22
Gain on disposal of subsidiary	299,255	-
(Loss) on disposal of fixed assets	-	(8,303)
Foreign exchange gain (loss)	34,113	(43,641)
Total other income (expenses)	333,423	(51,922)
Income (Loss) before taxes	**9,838**	**(399,321)**
Income tax provision	-	-
Net income (loss) from continuing operations	9,838	(399,321)
(Loss) from discontinued operations, net of tax	(3,712)	(96,749)
Net income (loss) applicable to common shareholders	**$ 6,126**	**$ (496,070)**
Net income (loss) from continuing operations per share - basic and diluted	$ 0.00	$ (0.00)
Net (loss) from discontinued operations per share - basic and diluted	$ (0.00)	$ (0.00)
Net income (loss) per share - basic and diluted	$ 0.00	$ (0.00)
Weighted number of shares outstanding - Basic and diluted	506,898,576	506,898,576
Comprehensive Income (Loss):		
Net income (loss)	$ 6,126	$ (496,070)
Foreign currency translation (loss)gain	(85,174)	64,279
Total comprehensive (loss)	**$ (79,048)**	**$ (431,791)**

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

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE PERIOD FROM JANUARY 1, 2018 TO DECEMBER 31, 2019

	Common					
	Shares	Par Value	Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity (Deficit)
Balance December 31, 2017	**506,898,576**	**$ 50,690**	**$4,604,191**	**$ (289,398)**	**$(5,126,964)**	**$ (761,481)**
Net loss for period	-	-	-	-	(496,070)	(496,070)
Foreign currency translation adjustment	-	-	-	64,279	-	64,279
Balance December 31, 2018	**506,898,576**	**$ 50,690**	**$4,604,191**	**$ (225,119)**	**$(5,623,034)**	**$(1,193,272)**
Net income for period	-	-	-	-	6,126	6,126
Foreign currency translation adjustment	-	-	-	(85,174)	-	(85,174)
Balance December 31, 2019	**506,898,576**	**$ 50,690**	**$4,604,191**	**$ (310,293)**	**$(5,616,908)**	**$(1,272,320)**

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

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Year Ended December 31, 2019	Year Ended December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss) including noncontrolling interests from continuing operations:	**$ 9,838**	**$ (399,321)**
Net (Loss) including noncontrolling interests from discontinued operations:	**(3,712)**	**(96,749)**
Net Income (Loss) including noncontrolling interests, total	**6,126**	**(496,070)**
Adjustments to reconcile net income (loss) to cash used in operations:		
Depreciation	48	14,386
(Gain) on disposal of subsidiary	(299,255)	-
Loss on disposal of fixed asset	-	8,303
Impairment on accounts receivable	49,410	-
Foreign exchange (gain) loss	(34,111)	43,877
Change in operating assets and liabilities:		
Accounts receivable-related parties	-	50,000
Accounts receivable-trade	-	7,698
Security deposit and other assets	462	7,928
Prepaid expenses	588	6,944
Promissory note-related party	(100,000)	-
Accounts payable and accrued expenses	(12,756)	29,458
Net cash used in operating activities	**$ (389,488)**	**$ (327,476)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Other non-current assets	(102)	-
Net cash inflow on disposal of subsidiary	68,940	-
Acquisition of fixed assets	-	(1,517)
Net cash provided by (used in) investing activities	**$ 68,838**	**$ (1,517)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Advance from related parties	274,867	301,897
Net cash provided by financing activities	**$ 274,867**	**$ 301,897**
NET (DECREASE)/INCREASE IN CASH	(45,783)	(27,096)
Effects of exchange rates on cash	(16,510)	20,402
CASH AND CASH EQUIVALENTS at beginning of period	**118,045**	**124,739**
CASH AND CASH EQUIVALENTS at end of period	**$ 55,752**	**$ 118,045**

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

Note 1. **ORGANIZATION AND PRINCIPAL BUSINESS ACTIVITIES**

HotApp Blockchain Inc., formerly HotApp International, Inc., (the "Company" or "Group") was incorporated in the State of Delaware on March 7, 2012 and established a fiscal year end of December 31. The Company's initial business plan was to be a financial acquisition intermediary which would serve buyers and sellers for companies that are in highly fragmented industries. Our Board determined it was in the best interest of the Company to expand our business plan. On October 15, 2014, through a sale and purchase agreement, the Company acquired all the issued and outstanding stock of HotApps International Pte Ltd ("HIP") from Singapore eDevelopment Limited ("SeD"). SeD is presently our largest stockholder. HIP owned certain intellectual property relating to instant messaging for portable devices (referred to herein as the "HotApp Application").

The HotApp Application is a cross-platform mobile application that incorporates instant messaging and ecommerce. This application can be used on any mobile platform (i.e. IOS Online or Android). The HotApp Application offered messaging and calling services for HotApp Application users (text, photo, audio); however, the messaging and calling services we offered were terminated in 2017.

On December 29, 2017, our Board approved a change of the Company's name from "HotApp International, Inc." to "HotApp Blockchain Inc." to reflect the Board's determination that it was in the best interest of the Company to expand its activities to include the development and commercialization of blockchain-related technologies. One area we are presently exploring is providing technology consulting for security token offerings ("STO"). Such services, which have not yet commenced commercially, would include STO white paper development, technology design and web development. We intend to outsource certain aspects of these projects to potential partners we have identified. We have no plans to launch our own token offering, but rather may develop technologies that could facilitate such offerings by other companies.

We believe that the increasing acceptance of distributed ledger technologies by potential customers will benefit us. The growth of network marketing throughout the world would impact our technologies that target that industry. In this rapidly evolving field, however, technology is advancing quickly and it is possible that our competitors could create products that gain market acceptance before our products.

In 2018, one of our main developments was a broadening of our scope of planned operations into a digital transformation technology business. As a digital transformation technology business, we are committed to enabling enterprises we work with to engage in a digital transformation by providing consulting, implementation and development services with various technologies, including instant messaging, blockchain, e-commerce, social media and payment solutions. We continue to be involved in mobile application product development and other businesses, providing information technology services to end-users, service providers and other commercial users through multiple platforms.

We are focused on serving business-to-business (B2B) needs in e-commerce, collaboration and supply chains. We will help enterprises and community users to transform their business model with digital economy in a more effective manner. With our platform, users can discover and build their own communities and create valuable content. Enterprises can in turn enhance the user experience with premium content, all of which are facilitated by the transactions of every stakeholder via e-commerce.

Our technology platform consists of instant messaging systems, social media, e-commerce and payment systems, network marketing platforms and e-real estate. We are focused on business-to-business solutions such as enterprise messaging and workflow. We have successfully implemented several strategic platform developments for clients, including a mobile front-end solution for network marketing, a hotel e-commerce platform for Asia and a real estate agent management platform in China. We have also enhanced our technological capability from mobile application development to include blockchain architectural design, allowing mobile-friendly front-end solutions to integrate with software platforms. Our main digital assets at the present time are our applications. Our emphasis will be on developing solutions and providing services.

As of December 31, 2019, details of the Company's subsidiaries are as follows:

Subsidiaries	Date of Incorporation	Place of Incorporation	Percentage of Ownership
1st Tier Subsidiary:			
HotApps International Pte Ltd ("HIP")	May 23, 2014	Republic of Singapore	100% by Company
Crypto Exchange Inc.	December 15, 2017	State of Nevada, the United States of America	100% by Company
HWH World Inc.	August 28, 2018	State of Delaware, the United States of America	100% by Company
2nd Tier Subsidiaries:			
HWH World Pte. Ltd. (formerly known as Crypto Exchange Pte. Ltd.)	September 15, 2014	Republic of Singapore	100% owned by HIP
HotApp International Limited*	July 8, 2014	Hong Kong (Special Administrative Region)	100% owned by HIP

* On March 25, 2015, HotApps International Pte Ltd ("HIP") acquired 100% of issued share capital in HotApp International Limited.

The financial statements have been prepared using accounting principles generally accepted in the United States of America applicable for a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. Since inception, the Company has incurred net losses of 5,616,908 and has net working capital deficit of $1,272,422 at December 31, 2019. Management has concluded that due to the conditions described above, there is a substantial doubt about the entity's ability to continue as a going concern through March 30, 2021. We have evaluated the significance of the conditions in relation to our ability to meet our obligations and believe that our current cash balance along with our current operations will not provide sufficient capital to continue operations through 2021. Our ability to continue as a going concern is dependent upon achieving sales growth, management of operating expenses and ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due, and upon profitable operations.

Our majority stockholder has advised us not to depend solely on it for financing. We have increased our efforts to raise additional capital through equity or debt financings from other sources. However, we cannot be certain that such capital (from our stockholders or third parties) will be available to us or whether such capital will be available on terms that are acceptable to us. Any such, financing likely would be dilutive to existing stockholders and could result in significant financial operating covenants that would negatively impact our business. If we are unable to raise sufficient additional capital on acceptable terms, we will have insufficient funds to operate our business or pursue our planned growth.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of consolidation

The consolidated financial statements of the Group include the financial statements of HotApp Blockchain Inc. and its subsidiaries. All inter-company transactions and balances have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, cost and expenses in the financial statements and accompanying notes. Significant accounting estimates reflected in the Group's consolidated financial statements include revenue recognition, the useful lives and impairment of property and equipment, valuation allowance for deferred tax assets.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of December 31, 2019 and December 31, 2018.

Foreign currency risk

Because of its foreign operations, the Company holds cash in non-US dollars. As of December 31, 2019, cash and cash equivalents of the Group include, on an as converted basis to US dollars, $32,283, and $23,131, in Hong Kong Dollars ("HK$"), and Singapore Dollars ("S$"), respectively.

Concentrations

Financial instruments that potentially expose the Group to concentration of credit risk consist primarily of cash. Although the cash at each particular bank in the United States is insured up to $250,000 by Federal Deposit Insurance Corporation (FDIC), the Group is exposed to risk due to its concentration of cash in foreign countries. The Group places its cash with financial institutions with high-credit ratings and quality. The Group is also exposed to credit risk due to its concentration of customers with revenue in excess of 10%.

	Total Amount	Related parties Amount	Related parties Percentage	Trade Amount	Trade Percentage
Accounts receivables, net of allowance					
As of December 31, 2019	$ -	$ -	-%	$ -	-%
As of December 31, 2018	$ 49,643	$ 39,427	79%	$ 10,216	21%
Revenue					
Continuing operations					
For the year ended December 31, 2019	$ -	$ -	-%	$ -	-%
For the year ended December 31, 2018	$ 140,652	$ 115,135	82%	$ 25,517	18%
Revenue					
Discontinued operations					
For the year ended December 31, 2019	$ -	$ -	-%	$ -	-%
For the year ended December 31, 2018	$ 7,325	$ -	-%	$ 7,325	100%

During the year of 2019, the Company has made full provision for the amount of accounts receivables brought forward from 2018.

Fixed assets, net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Office equipment	3 years
Computer equipment	3 years
Furniture and fixtures	3 years

Fair value

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and short-term borrowings, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed. The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - observable market based inputs or unobservable inputs that are corroborated by market data; and
- Level 3 - significant unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Revenue recognition

Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The Company adopted this new standard on January 1, 2018 under the modified retrospective method to all contracts not completed as of January 1, 2018 and the adoption did not have a material effect on our financial statements but we expanded our disclosures related to contracts with customers below.

Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the Company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers over control of the promised goods or services to its customers. Costs to obtain or fulfill a contract are expensed as incurred when the amortization period is less than one-year.

Disaggregation of Revenue

We generate revenue from the project involving provision of services and web/software development for customers. In respect to the provision of services, the agreements are less than one year with cancellable clause and customers are typically billed on a monthly basis. The following table depicts the disaggregation of revenue according to revenue type and is consistent with how we evaluate our financial performance:

	For the year ended December 31, 2019		
	Provision of Services	Web / Software Development	Total
Primary Geographical Markets			
Continuing operations			
North America	$ -	$ -	$ -
Asia	-	-	-
	$ -	$ -	$ -
Discontinued operations			
Asia	$ -	$ -	$ -
	$ -	$ -	$ -
Timing of Revenue Recognition			
Goods transferred at a point in time	$ -	$ -	$ -
Services transferred over time	-	-	-
	$ -	$ -	$ -

	For the year ended December 31, 2018		
	Provision of Services	Web / Software Development	Total
Primary Geographical Markets			
Continuing operations			
North America	$ 115,135	$ -	$ 115,135
Asia	-	25,517	25,517
	$ 115,135	$ 25,517	$ 140,652
Discontinued operations			
Asia	$ -	$ 7,325	$ 7,325
	$ -	$ 7,325	$ 7,325
Timing of Revenue Recognition			
Goods transferred at a point in time	$ -	$ 32,842	$ 32,842
Services transferred over time	115,135	-	115,135
	$ 115,135	$ 32,842	$ 147,977

Contract assets and contract liabilities

Based on our contracts, we normally invoice customers once our performance obligations have been satisfied, at which point payment is unconditional. Accordingly, our contracts do not give rise to contract assets or liabilities under ASC 606. Accounts receivable are recorded when the right to consideration becomes unconditional.

Remaining performance obligations

As of December 31, 2019, the aggregate amount of the transaction price allocated to the remaining performance obligation is $0.

Income taxes

Current income taxes are provided for in accordance with the laws of the relevant tax authorities. Deferred income taxes are recognized when temporary differences exist between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Net operating loss carry forwards and credits are applied using enacted statutory tax rates applicable to future years. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more-likely-than-not that a portion of or all of the deferred tax assets will not be realized. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2019 or 2018, respectively.

Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”).

The functional and reporting currency of the Company is the United States dollar (“U.S. dollar”). The financial records of the Company’s subsidiaries located in Singapore, Hong Kong and the PRC are maintained in their local currencies, the Singapore Dollar (S$), Hong Kong Dollar (HK$) and Renminbi ("RMB"), which are also the functional currencies of these entities.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than the functional currency during the year are converted into functional currency at the applicable rates of exchange prevailing when the transactions occurred. Transaction gains and losses are recognized in the statement of operations.

The Company’s entities with functional currency of Renminbi, Hong Kong Dollar and Singapore Dollar, translate their operating results and financial positions into the U.S. dollar, the Company’s reporting currency. Assets and liabilities are translated using the exchange rates in effect on the balance sheet date. Revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of comprehensive income (loss).

For the year ended December 31, 2019, the Company recorded other comprehensive loss from a translation loss of $85,174 in the consolidated financial statements. For the year ended December 31, 2018, the Company recorded other comprehensive loss from a translation gain of $64,279 in the consolidated financial statements.

Comprehensive income (loss)

Comprehensive income (loss) includes gains (losses) from foreign currency translation adjustments. Comprehensive income (loss) is reported in the consolidated statements of operations and comprehensive loss.

Loss per share

Basic loss per share is computed by dividing net loss attributable to stockholders by the weighted average number of shares outstanding during the period.

The Company's convertible preferred shares are not participating securities and have no voting rights until converted to common stock. As of December 31, 2019, no shares of preferred stock are eligible for conversion into voting common stock.

Recent accounting pronouncements

On February 25, 2016, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) (the Update). The ASU requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. In July 2018, the FASB issued ASU 2018-10 and ASU 2018-11, Codification Improvements to Topic 842, Leases, amending various aspects of Topic 842. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

Topic 842 is effective for annual and interim periods beginning in the first quarter 2019, with early adoption permitted. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. We have adopted the new standard on January 1, 2019 and use the effective date as our date of initial application.

The new standard provides a number of optional practical expedients in transition. We elected the 'package of practical expedients', which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs, and we do not expect to elect the use-of- hindsight.

The new standard also provides practical expedients for an entity's ongoing accounting. We elected the short-term lease recognition exemption for all leases that qualify. For those leases that qualify, we will not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. We also elected the practical expedient to not separate lease and non-lease components for all of our leases.

The adoption of Topic 842 had no material impact on the Company.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02, Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from accumulated Other Comprehensive Income, or ASU 2018-02, which requires the reclassification from accumulated other comprehensive income to retained earnings for the stranded tax effects arising from the change in the reduction of the U.S. federal statutory income tax rate to 21% from 35%. ASU 2018-02 is effective for interim and annual periods beginning after December 15, 2018. We have adopted ASU 2018-02 on January 1, 2019. The adoption of this Update had no material effect on the Company.

In June 2018, the FASB issued Accounting Standards Update No. 2018-07, which simplifies several aspects of the accounting for nonemployee share-based payment transactions resulting from expanding the scope of Topic 718, Compensation-Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. Some of the areas for simplification apply only to nonpublic entities. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. We have adopted ASU 2018-07 on January 1, 2019. The adoption of this Update had no material effect on the Company.

Note 3. FIXED ASSETS, NET

Fixed assets, net consisted of the following:

	As of December 31,	
	2019	2018
Computer equipment	$ -	$ 45,458
Office equipment	-	20,886
Furniture and fixtures	-	4,847
Total	$ -	$ 71,191
Less: accumulated depreciation	-	(69,426)
Fixed assets, net	$ -	$ 1,765

Depreciation expenses for continuing operations charged to the consolidated statements of operations for the years ended December 31, 2019 and 2018 were $0 and 7,842, respectively. Depreciation expenses for discontinued operations charged to the consolidated statements of operations for the years ended December 31, 2019 and 2018 were $48 and 6,544, respectively.

Note 4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accrued expenses and other current liabilities consisted of the following:

	As of December 31,	
	2019	2018
Continuing operations		
Accrued professional fees	$ 16,712	$ 55,894
Other	1,849	3,665
Total	$ 18,561	$ 59,559
Discontinued operations		
Accrued payroll and related costs	$ -	$ 163,653
Other	-	10,953
Total	$ -	$ 174,606

Note 5. INCOME TAXES

The provision for income taxes for the years ended December 31, 2019 and 2018, was as follows:

	Year Ended December 31,					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Loss from continuing operations, before income taxes	$ (6,756)	$ 16,594	$ 9,838	$ (137,914)	$ (261,407)	$ (399,321)
Income tax at statutory rate	(1,419)	3,209	1,790	(28,962)	(43,431)	(72,393)
Items not taxable for tax purposes	(10,584)	(58,649)	(69,233)	-	(6,095)	(6,095)
Items not deductible for tax purposes	9	7,535	7,544	16,207	-	16,207
Change in valuation allowance	11,994	47,905	59,899	12,755	49,526	62,281
Income tax expense	$ -	$ -	$ -	$ -	$ -	$ -
Deferred income tax assets/(liabilities):						
Operating loss carry forwards	172,334	856,725	1,029,059	160,340	863,293	1,023,633
Unrealized exchange (gain)/loss	(10,575)	3,249	(7,326)	16,207	(448)	15,759
Total deferred assets	$ 161,759	$ 859,974	$1,021,733	$ 176,547	$ 862,846	$1,039,393
Less: valuation allowance	(161,759)	$ (859,974)	$(1,021,733)	$ (176,547)	$ (862,846)	$(1,039,393)
Total net deferred tax assets	$ -	$ -	$ -	$ -	$ -	$ -

On December 22, 2017, the Tax Cuts and Jobs Act was signed into legislation, lowering the corporate income tax rate to 21% effective January 1, 2018 and making many other significant changes to the US income tax code. Under ASC740, the effects of changes in tax rates and laws are recognized in the period in which the new legislation is enacted.

The Company provided a valuation allowance equal to the deferred income tax assets for period ended December 31, 2019 because it is not presently known whether future taxable income will be sufficient to utilize the loss carry-forwards.

As of December 31, 2019, the Company had approximately $5,104,265 in tax loss carry-forwards that can be utilized in future periods to reduce taxable income, and which expire by the year 2035. The Company did not identify any material uncertain tax positions. The Company did not recognize any interest or penalties for unrecognized tax benefits.

The federal income tax returns of the Company are subject to examination by the IRS, generally for three years after they are filed. The tax returns for the years ended December 31, 2018, 2017 and 2016 are still subject to examination by the taxing authorities.

Note 6. SHARE CAPITALIZATION

The Company is authorized to issue 1 billion shares of common stock and 15 million shares of preferred stock. The authorized share capital of the Company's common stock was increased from 500 million to 1 billion on May 5, 2017. Both share types have a $0.0001 par value. As of December 31, 2019 and 2018, the Company had issued and outstanding, 506,898,576 of common stock, and 0 shares of preferred stock.

Common Shares:

Pursuant to the Purchase Agreement, dated October 15, 2014, the Company issued 1,000,000 shares of common stock to SeD. Such amount represented 19% ownership in the Company.

On July 13, 2015, SeD acquired 777,687 shares of the Company's common stock by converting outstanding loans made to the Company into common stock of the Company at a rate of $5.00 per share (rounded to the nearest full share). After such transactions SeD owned 98.17% of the Company.

On March 27, 2017, the Company entered into a Loan Conversion Agreement with SeD, pursuant to which SeD agreed to convert $450,890 of debt owed by the Company to SeD into 500,988,889 common shares at a conversion price of $0.0009. The captioned shares were issued on June 9, 2017, and SeD owned 99.979% of the Company after such transactions.

On December 20, 2018, the Board of Directors of SeD announced its intention to sell up to 3,200,000 shares of the Company to independent third parties at US$0.50 per share for an aggregate cash consideration of up to US$1,600,000. The purpose of this proposed sale was to raise funds to continue to support the general corporate and working capital of the Company, including but not limited to the operating costs of the Company. As of December 31, 2019, SeD has sold 606,900 shares of the Company to independent third parties, and SeD owned 99.859% of the Company after such transactions.

Preferred Shares:

Pursuant to the Purchase Agreement, dated October 15, 2014, the Company issued 13,800,000 shares of a class of preferred stock called Perpetual Preferred Stock ("Preferred Stock") to SeD. The Preferred Stock has no dividend or voting rights. The Preferred Stock is convertible to common stock of the Company dependent upon the number of commercial users of our software. For each 1,000,000 commercial users of the software (without duplication), SeD shall have the right to convert 1,464,000 shares of Perpetual Preferred Stock into 7,320,000 shares of Common Stock, so that there must be a minimum of 9,426,230 commercial users in order for all of the shares of the Perpetual Preferred Stock to be converted into common stock of the Company (13,800,000 shares of Preferred Stock convertible into 69,000,000 shares of common stock).

On March 27, 2017, SeD and the Company entered into a Preferred Stock Cancellation Agreement, by which SeD agreed to cancel its 13,800,000 shares Perpetual Preferred Stock issued by the Company. On June 8, 2017, a Certificate of Retirement for 13,800,000 shares of the Perpetual Preferred Stock has been filed to the office of Secretary of State of the State of Delaware.

Other than the conversion rights described above, the Preferred Stock has no voting, dividend, redemption or other rights.

Note 7. EQUITY INCENTIVE PLAN

On July 30, 2018, the Company adopted the Equity Incentive Plan ("The Plan"). The Plan is intended to encourage ownership of shares by employees, directors and certain consultants to the Company in order to attract and retain such people, to induce them to work for the benefit of the Company. The Plan provides for the grant of options and/or other stock-based or stock-denominated awards. Subject to adjustment in accordance with the terms of the Plan, 50,000,000 shares of Common Stock of the Company have been reserved for issuance pursuant to awards under the Plan. The Plan will be administered by the Company's Board of Directors. This Plan shall terminate ten (10) years from the date of its adoption by the Board of Directors. There have been no awards issued under the Plan as of December 31, 2019.

Note 8. DISCONTINUED OPERATIONS

On October 25, 2018, HotApps International Pte. Ltd. ("HIP") entered into an Equity Purchase Agreement with DSS Asia Limited ("DSS Asia"), a Hong Kong subsidiary of DSS International Inc. ("DSS International"), pursuant to which HIP agreed to sell to DSS Asia all of the issued and outstanding shares of HotApps Information Technology Co. Ltd., also known as Guangzhou HotApps Technology Ltd. ("Guangzhou HotApps"). Guangzhou HotApps was a wholly owned subsidiary of HIP, which was primarily engaged in engineering work for software development, mainly voice over internet protocol. Guangzhou HotApps was also involved in a number of outsourcing projects, including projects related to real estate and lighting.

The parties to the Equity Purchase Agreement agreed that the purchase price for this transaction would be $100,000, which would be paid in the form of a two-year, interest free, unsecured, demand promissory note in the principal amount of $100,000, and that such note would be due and payable in full in two years. The closing of the Equity Purchase Agreement was subject to certain conditions; these conditions were met and the transaction closed on January 14, 2019.

The composition of assets and liabilities included in discontinued operations was as follows:

	January 14, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash	$ 31,060	$ 9,268
Deposit and other receivable	5,136	5,049
TOTAL CURRENT ASSETS	36,196	14,317
Fixed assets, net	1,717	1,765
TOTAL ASSETS	**$ 37,913**	**$ 16,082**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 202,848	$ 174,606
TOTAL CURRENT LIABILITIES	202,848	174,606
TOTAL LIABILITIES	**$ 202,848**	**$ 174,606**

The aggregate financial results of discontinued operations were as follows:

	Period Ended January 14, 2019	Year Ended December 31, 2018
Revenues:		
Project fee-others	$ -	$ 7,325
	-	**7,325**
Cost of revenues	**-**	**4,527**
Gross profit	**$ -**	**$ 2,798**
Operating expenses:		
Depreciation	48	6,544
General and administrative	3,662	93,182
Total operating expenses	**3,710**	**99,726**
(Loss) from operations	**(3,710)**	**(96,928)**
Other income (expenses):		
Other sundry income	-	415
Foreign exchange (loss)	(2)	(236)
Total other (expenses) income	**(2)**	**179**
Loss from discontinued operations	**$ (3,712)**	**$ (96,749)**

Note 9. INVESTMENT IN SUBSIDIARIES

a. Composition of the Group

Name of company	Country of incorporation	Proportion of (%) of ownership interest	
1st Tier Subsidiary:		December 31, 2019	December 31, 2018
HotApps International Pte Ltd (“HIP”)	Republic of Singapore	100% by Company	100% by Company
Crypto Exchange Inc.	State of Nevada, the United States of America	100% by Company	100% by Company
HWH World Inc.	State of Delaware, the United States of America	100% by Company	100% by Company
2nd Tier Subsidiaries:			
HWH World Pte. Ltd. (formerly known as Crypto Exchange Pte. Ltd.)	Republic of Singapore	100% owned by HIP	100% owned by HIP
HotApp International Limited*	Hong Kong (Special Administrative Region)	100% owned by HIP	100% owned by HIP
HotApps Information Technology Co Ltd (also known as Guangzhou HotApps Technology Ltd.)	People’s Republic of China	-% owned by HIP	100% owned by HIP

b. Gain on disposal of subsidiary

As mentioned in Note 8 above, on October 25, 2018, HotApps International Pte. Ltd. (“HIP”) entered into an Equity Purchase Agreement with DSS Asia Limited (“DSS Asia”), a Hong Kong subsidiary of DSS International Inc. (“DSS International”), pursuant to which HIP agreed to sell to DSS Asia all of the issued and outstanding shares of HotApps Information Technology Co. Ltd., also known as Guangzhou HotApps Technology Ltd. (“Guangzhou HotApps”). Guangzhou HotApps was a wholly owned subsidiary of HIP. The parties to the Equity Purchase Agreement agreed that the purchase price for this transaction would be $100,000, which would be paid in the form of a two-year, interest free, unsecured, demand promissory note in the principal amount of $100,000, and that such note would be due and payable in full in two years. The closing of the Equity Purchase Agreement was subject to certain conditions; these conditions were met and the transaction closed on January 14, 2019.

Consideration received	$ 100,000
Net liabilities disposal of	164,935
Cumulative exchange gain in respect of the net liabilities of subsidiary	34,320
Gain on disposal	$ 299,255

c. Net cash inflow on disposal of subsidiary

Consideration received	$ 100,000
Less: cash and cash equivalent balances disposed of	(31,060)
Net cash inflow on disposal of disposed subsidiary	$ 68,940

Note 10. COMMITMENTS AND CONTINGENCIES

On May 9, 2016, the Company entered into a lease agreement for 1,231 square feet of office space in Guangzhou, China. The lease commenced on May 9, 2016 and run through May 8, 2018 with monthly payments of $2,330. The Company renewed the lease agreement with monthly payments of $2,447. The Company was required to put up a security deposit of $4,491. For the year ended December 31, 2018, the Company recorded rent expense of $28,897 for Guangzhou office. On January 14, 2019, the sale of our operations in Guangzhou closed. Accordingly, we no longer have this office space or any continuing obligations for this rent.

On April 10, 2015, the Company entered into a lease agreement for 347 square feet of office space in Kowloon, Hong Kong. This lease commenced on April 20, 2015 and run through April 19, 2017 with monthly payments of $2,552. The Company was required to put up a security deposit of $5,108. On March 16, 2017, the Company entered into a lease agreement for 1,504 square feet of office space in Kowloon, Hong Kong. This lease commenced on March 16, 2017 and runs through March 31, 2019 with monthly payments of $3,253. The Company was required to put up a security deposit of $6,512. For the year ended December 31, 2018, the Company recorded rent expense of $29,277 for this office. The lease was terminated on September 30, 2018 and the security deposit has been returned in the last quarter of 2018.

Note 11. RELATED PARTY BALANCES AND TRANSACTIONS

SeD is the Company's majority stockholder. Chan Heng Fai, the Executive Chairman and Acting Chief Executive Officer of the Company's Board of Directors, is also the Chief Executive Officer and a member of SeD's Board of Directors, as well as the majority stockholder of SeD. Conn Flanigan, who served as a member of the Company's Board of Directors until September of 2018, serves in various director and officer positions with subsidiaries of SeD. Lui Wai Leung Alan, the Company's Chief Financial Officer, is also the Chief Financial Officer of SeD. As of the date of this report, the Company has not entered into any employment arrangement with any director or officer

On March 1, 2018, the Company's subsidiary HotApp International Ltd. entered into an Outsource Technology Development Agreement (the "Agreement") with Document Security Systems, Inc. ("Document Security Systems"), which may be terminated by either party on 30-days' notice. The purpose of the Agreement is to facilitate Document Security Systems' development of a software application to be included as part of Document Security Systems' AuthentiGuard® Technology suite. Under this agreement, Document Security Systems agreed to pay $23,000 per month for access to HotApp International Ltd.'s software programmers. The agreement was terminated on July 31, 2018. Mr. Chan Heng Fai is a member of the Company's Board of Directors and, through his control of the Company's majority stockholder, the beneficial owner of a majority of the Company's common stock. Mr. Chan is also a member of the Board of Document Security Systems and a stockholder of Document Security Systems.

As of December 31, 2019, the Company has amount due to SeD of $1,396,426, an amount due to a director of $5,343, plus an amount due to an affiliate of $102 and an amount due from an affiliate of $2,228. The Company has made full impairment provision for the amount due from the affiliate. As of December 31, 2018, the Company has amount due to SeD of $1,121,730, plus an amount due to a director of $5,274 and an amount due from an affiliate of $2,200. The Company has made full impairment provision for the amount due from the affiliate.

The account receivable as of December 31, 2019 includes a trade receivable from an affiliate by common ownership amounting to $39,427 resulting from the revenue earned from that affiliate during the year 2017, and the company has put up a full allowance for the said amount.

On October 25, 2018, HotApps International Pte. Ltd. ("HIP") entered into an Equity Purchase Agreement with DSS Asia Limited ("DSS Asia"), a Hong Kong subsidiary of DSS International Inc. ("DSS International"), pursuant to which HIP agreed to sell to DSS Asia all of the issued and outstanding shares of HotApps Information Technology Co. Ltd., also known as Guangzhou HotApps Technology Ltd. ("Guangzhou HotApps"). Guangzhou HotApps was a wholly owned subsidiary of HIP, which was primarily engaged in engineering work for software development, mainly voice over internet protocol. Guangzhou HotApps was also involved in a number of outsourcing projects, including projects related to real estate and lighting.

The parties to the Equity Purchase Agreement agreed that the purchase price for this transaction would be $100,000, which would be paid in the form of a two-year, interest free, unsecured, demand promissory note in the principal amount of $100,000, and that such note would be due and payable in full in two years. The closing of the Equity Purchase Agreement was subject to certain conditions; these conditions were met and the transaction closed on January 14, 2019.

Mr. Chan Heng Fai is the Acting Chief Executive Officer and a Member of the Board of Directors of the Company. He is also the Chief Executive Officer, Chairman and controlling stockholder of Singapore eDevelopment Limited, the majority stockholder of the Company. Mr. Chan is also the Chief Executive Officer and Chairman of DSS International and a significant stockholder and a member of the Board of Document Security Systems Inc., which is the sole owner of DSS International. Mr. Chan Heng Fai is also a member of the Board of Directors of Document Security Systems and a stockholder of Document Security Systems. Lum Kan Fai, a member of the Board of Directors of the Company, is also an employee of DSS International.

Since the completion of the sale of all of the issued and outstanding shares of HotApps Information Technology Co. Ltd. (also known as Guangzhou HotApps Technology Ltd.) on January 14, 2019, we have not paid any employees, and our largest stockholder, SeD, has provided staff without charge to our Company. We intend to outsource many functions of our business for the immediate future.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of our Report on Form 10-K, an evaluation was carried out by management, with the participation of our Acting Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act) as of December 31, 2019. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that such information is accumulated and communicated to management, including the Acting Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During evaluation of disclosure controls and procedures as of December 31, 2019 conducted as part of our annual audit and preparation of our annual financial statements, management conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective. Management determined that at December 31, 2019, we had a material weakness that relates to the relatively small number of employees, provided by SeD, who have bookkeeping and accounting functions and therefore prevents us from segregating duties within our internal control system.

Management's Report on Internal Control over Financial Reporting

Management is responsible for the preparation and fair presentation of the financial statements included in this annual report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect management's judgment and estimates concerning effects of events and transactions that are accounted for or disclosed.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting includes those policies and procedures that pertain to our ability to record, process, summarize and report reliable data. Management recognizes that there are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

In order to ensure that our internal control over financial reporting is effective, management regularly assesses controls and did so most recently for its financial reporting as of December 31, 2019. This assessment was based on criteria for effective internal control over financial reporting described in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this assessment, management has concluded that, as of December 31, 2019, we had a material weakness that relates to the relatively small number of employees, provided by SeD, who have bookkeeping and accounting functions and therefore prevents us from segregating duties within our internal control system. The inadequate segregation of duties is a weakness because it could lead to the untimely identification and resolution of accounting and disclosure matters or could lead to a failure to perform timely and effective reviews. The Company also noted the internal staff has limited US GAAP and SEC Reporting experience.

This annual report filed on Form 10-K 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 our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the quarterly period ended December 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Identification of directors and officers

The following table sets forth the name and age of officers and director as of the date hereof. Our executive officers are elected annually by our board of directors. Our executive officers hold their offices until they resign, are removed by the Board, or his successor is elected and qualified.

Directors and Executive Officers

Name	Age	Position
Chan Heng Fai	75	Acting Chief Executive Officer, Executive Chairman of the Board
Lum Kan Fai	57	Vice Chairman of the Board
Sanjib Kalita	47	Director
Lui Wai Leung Alan	49	Chief Financial Officer

On October 21, 2014, the Company reported under Form 8-K the Sale & Purchase Agreement ("Purchase Agreement") with Singapore eDevelopment Limited ("SeD"), a Singapore exchange listed company, dated October 15, 2014. The Purchase Agreement also granted SeD the right to nominate one member to the Company's Board of Directors.

The mailing address for each of the officers and directors named above is c/o the Company at: 4800 Montgomery Lane, Suite 210, Bethesda, Maryland 20814.

Business Experience

Mr. Chan has served as a Director since October 23, 2014, as the Executive Chairman of the Company's Board of Directors since December 1, 2017, and the Acting Chief Executive Officer since August 8, 2018. Mr. Chan previously served as the Company's Chief Executive Officer from December 31, 2014 until June 21, 2017. Mr. Chan is an expert in banking and finance, with 45 years of experience in these industries. He has also restructured numerous companies in various industries and countries during the past 40 years. Mr. Chan has served as the Chief Executive Officer of Singapore eDevelopment Limited, a diversified holding company listed on the Catalist of the Singapore Exchange Securities Trading Limited, since April 2014, and has served as a director of that company since May of 2013. Since March, 2018, Mr. Chan has served as a Chairman of the Board and Chief Executive Officer of HF Enterprises Inc. Mr. Chan has served as a member of the Board of Directors of SeD Intelligent Home Inc. since January 10, 2017, and has served as Co-Chief Executive Officer of SeD Intelligent Home since December 29, 2017. He has served as a non-executive director of Document Security Systems, Inc., an NYSE listed company, since January 2017 and as Chairman of the Board since March of 2019. Mr. Chan has also served as a non-executive director of Holista CollTech Ltd., an ASX listed company, since July 2013 and has served as a director of Vivacitas Oncology Inc. since May of 2017. Mr. Chan has served as a director of OptimumBank Holdings, Inc. and Optimum Bank since June 2018.

Mr. Chan's previous experiences include serving as Managing Chairman of ZH International Holdings Limited (formerly known as Heng Fai Enterprises Limited), an investment holding company listed on the HKSE, from 1992 to 2015. Mr. Chan was formerly the Managing Director of SingHaiyi Group Ltd., a property development, investment and management company listed on the Singapore Exchange Mainboard, from November 2003 to September 2013, and the Executive Chairman of China Gas Holdings Limited, a Hong Kong listed investor and operator of city gas pipeline infrastructure in China from 1997 to 2002. Mr. Chan served on the Board of RSI International Systems, Inc., the developer of RoomKeyPMS, a web based property management system, from June 2014 to February 2019.

Mr. Chan has also served as a director of Global Medical REIT Inc., a healthcare facility real estate company, from December 2013 to July 2015. He was a director of American Housing REIT Inc. from October of 2013 to July of 2015. He served as a director of Skywest Ltd., a public Australian airline company from 2005 to 2006. Mr. Chan was a director of Global Med Technologies, Inc., a medical company engaged in the design, development, marketing and support information for management software products for healthcare-related facilities, from May 1998 until December 2005.

Director Qualifications of Chan Heng Fai:

The board of directors appointed Mr. Chan in recognition of his abilities to assist the Company in expanding its business and the contributions he can make to the Company's strategic direction.

Mr. Lum has served as a member of the Company's Board of Directors since June of 2015. Mr. Lum served as Chief Technology Officer ("CTO") from June of 2015 until June of 2017. In June of 2017, the Company appointed Mr. Lum Kan Fai as the Company's CEO and President, and Mr. Lum resigned as CTO. In December of 2017, Mr. Lum Kan Fai resigned as CEO and President of the Company and was appointed as Vice Chairman of the Company's Board of Directors. Mr. Lum currently is the President, Digital Group of DSS Inc and President of DSS Asia, who is responsible for P&L long term development of DSS digital product division and Asia Pacific operation of DSS Inc, a NYSE listed company. Mr. Lum was the founder, and since 2009 had served as Chief Executive Officer, of FUNboxx Ltd. Prior to that, Mr. Lum held senior management positions with Vitop Holding, a HK listed company, York International (Now Johnson Controls), Apple and Datacraft Asia. Mr. Lum graduated from the University of Essex (UK) in 1985, first class honor degree in Computer and Communication Engineering.

Director Qualifications of Mr. Lum Kan Fai:

The board of directors appointed Mr. Lum in recognition of his extensive knowledge in information technology business and his ability to assist in the Company's continuous growth. He has over 30 years of technology business experience in multinational corporations.

Mr. Kalita has served as a member of the Company's Board of Directors since February of 2018. Mr. Kalita is presently the Chief Executive Officer of the Guppy Group, a next generation credit bureau built on blockchain technology. Mr. Kalita has held this position since June of 2016. In addition, since April of 2013 Mr. Kalita has worked for and helped build Money 20/20, a leading fintech industry event focusing on disruptive technology in financial technology and payments. His positions at Money 20/20 have included Knowledge Director (from April of 2013 until December of 2014), Head of Marketing (from January of 2015 until August of 2016) and Chief Marketing Officer (since August of 2016). He is also an advisor to multiple startups including MPOWER Financing, an alternative lender for international students studying in the USA, and Impact Analytics, which provides advanced analytics and data services for the retail industry. Mr. Kalita is also a Member of the Advisory Board to the SXSW Accelerator. Previously, Mr. Kalita served in business development for Google Wallet from April 2012 to April 2013. Prior to that position, Mr. Kalita was involved with several successful startups including TxVia, a payment platform building technology company acquired by Google in 2012, and Irynsoft, a mobile education app company. Mr. Kalita has also worked for Intel and Citibank. Mr. Kalita has an M.B.A. from the Kellogg School of Management, as well as a B.S. and Masters in Engineering from Cornell University where he majored in Electrical Engineering.

Director Qualifications of Sanjib Kalita:

Mr. Kalita's service as an officer, director and employee of various entities has provided him with significant knowledge and experience regarding financial technology and payments.

Mr. Lui Wai Leung Alan has served as Chief Financial Officer since May 12, 2016. Mr. Lui has been Chief Financial Officer of Singapore eDevelopment Limited, the Company's majority stockholder, since November 2016 and served as its Acting Chief Financial Officer from June 2016 until November 2016. Since October of 2016, Mr. Lui has also served as a director of BMI Capital Partners International Ltd, a Hong Kong investment consulting company. He has also served as a director of LiquidValue Asset Management Pte Limited (formerly known as Hengfai Asset Management Pte. Ltd.), a Singapore fund management company, since April, 2018. Mr. Lui has served as Co-Chief Financial Officer of SeD Intelligent Home Inc. since December 2017. Mr. Lui has served a Co-Chief Financial Officer of HF Enterprises Inc. since March 2018. From June of 1997 through March of 2016, Mr. Lui served in various executive roles at ZH International Holdings Ltd. (a Hong Kong-listed company formerly known as Heng Fai Enterprises Ltd), including as Financial Controller. Mr. Lui oversaw the financial and management reporting and focusing on its financing operations, treasury investment and management. He has extensive experience in financial reporting, taxation and financial consultancy and management in Hong Kong. Mr. Lui is a Certified Practicing Accountant in Australia and received a Bachelor's Degree in Business Administration from the Hong Kong Baptist University in 1993.

Section 16(a) Beneficial Ownership Reporting Compliance

Not Applicable.

Corporate Governance

Board of Directors

The varying business experience of each of our directors led to the conclusion that each such party should be a member of our Board of Directors. The minimum number of directors we are authorized to have is one and the maximum is eight. In no event may we have less than one director.

Directors on our Board of Directors are elected for one-year terms and serve until the next annual security holders’ meeting or until their death, resignation, retirement, removal, disqualification, or until a successor has been elected and qualified. All officers are appointed annually by the Board of Directors and serve at the discretion of the Board. Currently, directors receive no compensation for their services on our Board.

All directors will be reimbursed by us for any accountable expenses incurred in attending directors' meetings provided that we have the resources to pay these fees. We will consider applying for officers and directors’ liability insurance at such time when we have the resources to do so.

Committees of the Board of Directors

Concurrent with having sufficient members and resources, our Board of Directors intends to establish an audit committee and a compensation committee. The audit committee will review the results and scope of the audit and other services provided by the independent auditors and review and evaluate the system of internal controls. The compensation committee will review and recommend compensation arrangements for the officers and employees. No final determination has yet been made as to the memberships of these committees or when we will have sufficient members to establish committees. We believe that we will need a minimum of three independent directors to have effective committee systems.

As of the date hereof, we have not established any Board committees.

Family Relationships

No family relationship exists between any director, executive officer, or any person contemplated to become such.

Director Independence

In light of the relationships between certain members of our Board and our majority stockholder, only one of our directors, Mr. Sanjib Kalita, may be deemed to be independent. Our board of directors has voluntarily adopted the corporate governance standards defining the independence of our directors imposed by the NASDAQ Capital Market's requirements for independent directors pursuant to Rule 5605(a)(2) of the Marketplace Rules of The NASDAQ Stock Market LLC.

Potential Conflicts

None of the members of our management work for the Company on a full-time basis. Both our Acting Chief Executive Officer and our Chief Financial Officer are employed by our largest stockholder, Singapore Development, and their services are being temporarily provided to us at no cost. Certain conflicts of interest may arise between us and our officer(s) and director(s) in that they may have other business interests in the future to which they devote their attention, and they may be expected to continue to do so although management time must also be devoted to our business. As a result, conflicts of interest may arise that can be resolved only through their exercise of such judgment as is consistent with each officer's understanding of his/her fiduciary duties to us.

We will seek to add additional officer(s) and/or director(s) as and when the proper personnel are located and terms of employment are mutually negotiated and agreed, and we have sufficient capital resources and cash flow to make such offers.

We cannot provide assurances that our efforts to eliminate the potential impact of conflicts of interest will be effective.

Involvement in Certain Legal Proceedings

None of our directors or executive officers has, during the past ten years:

- had any bankruptcy petition filed by or against any business of which he was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time;
- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, futures, commodities or banking activities;
- been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated; and
- been subject or a party to or any other disclosable event required by Item 401(f) of Regulation S-K.

Code of Business Conduct and Ethics

We currently do not have a Code of Business Conduct and Ethics. We intend to adopt one in the immediate future.

Item 11. Executive Compensation.

EXECUTIVE COMPENSATION

Summary Compensation Table for 2019 and 2018

The following table presents summary information regarding the total compensation awarded to, earned by, or paid to each of the named executive officers for services rendered to us for the calendar years ended December 31, 2019 and December 31, 2018.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	All Other Compensation ($)	Total ($)
Chan Heng Fai, Executive Chairman, Acting CEO	2019	--	--	--	--	--
Lum Kan Fai, Director, Vice Chairman	2019	--	--	--	--	--
Sanjib Kalita	2019	--	--	--	--	--
Lui Wai Leung Alan, CFO	2019	--	--	--	--	--

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	All Other Compensation ($)	Total ($)
Chan Heng Fai, Executive Chairman, Acting CEO (appointed as Acting CEO as of August 8, 2018)	2018	--	--	--	--	--
Conn Flanigan, Director, Secretary (effective as of September 19, 2018 resigned as director and Secretary)	2018	--	--	--	--	--
Lum Kan Fai, Director, Vice Chairman	2018	--	--	--	--	--
Sanjib Kalita (from February 20, 2018)	2018	--	--	--	--	--
Lee Wang Kei, CEO, CTO (effective as of August 8, 2018, resigned as CEO and CTO)	2018	36,439	--	--	1,359	37,798
Lui Wai Leung Alan, CFO	2018	--	--	--	--	--

Other than as set forth in the table above, there has been no cash or non-cash compensation awarded to, earned by or paid to any of our officers and directors since inception. On July 30, 2018, the Company adopted the Equity Incentive Plan intended to encourage ownership of Shares by Employees and directors of and certain consultants to the Company in order to attract and retain such people, to induce them to work for the benefit of the Company.

Director Compensation

Our directors will not receive a fee for attending each board of directors meeting or meeting of a committee of the board of directors. All directors will be reimbursed for their reasonable out-of-pocket expenses incurred in connection with attending board of director and committee meetings.

Employment Agreement

We do not currently have any employment agreements with our officers and directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information as of March 30, 2020 with respect to the beneficial ownership of our common stock, the sole outstanding class of our voting securities, by (i) any person or group owning more than 5% of each class of voting securities, (ii) each director, (iii) each executive officer named in the Summary Compensation Table in the section entitled "Executive Compensation" above and (iv) all executive officers and directors as a group. As of March 30, 2020, we had 506,898,576 shares of common stock issued and outstanding.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder.

Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of the date of this Form 10-K are considered outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Name and Address (1)	Beneficially Owned	Percentage Owned
Greater than 5% Holders		
Singapore eDevelopment Limited (2)	506,148,676	99.852%
Officers and Directors		
Chan Heng Fai (3)	506,148,676	99.852%
Sanjib Kalita	0	0%
Lum Kan Fai	0	0%
Lui Wai Leung Alan	0	0%
All directors and officers as a group (5 persons)		

(1) Unless otherwise stated, the address is 4800 Montgomery Lane, Suite 210, Bethesda MD 20814, the address of the Company

(2) The address is: 7 Temasek Boulevard #29-01B, Suntec Tower One, Singapore 038987.

(3) Mr. Chan, as the Chief Executive Officer and majority stockholder of Singapore eDevelopment Limited, is deemed to be the beneficial owner of those shares owned by Singapore eDevelopment Limited.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

SeD is the Company's majority stockholder. Chan Heng Fai, the Executive Chairman and Acting Chief Executive Officer of the Company's Board of Directors, is also the Chief Executive Officer and a member of SeD's Board of Directors, as well as the majority stockholder of SeD. Lui Wai Leung Alan, the Company's Chief Financial Officer, is also the Chief Financial Officer of SeD. As of the date of this report, the Company has not entered into any employment arrangement with any director or officer.

On December 31, 2014, the Company owed Singapore eDevelopment Limited (SeD), its majority stockholder, $4,428,438. This amount reflects a loan of $50,000 and the US equivalent of S$5,702,500. It also includes $32,574 in payments made by SeD on behalf of the Company. On December 28, 2014, SeD loaned the Company under a promissory note (the "Note") $3,988,831 (S$5,250,533.93). The Note is non-interest bearing and matures on June 25, 2015. The Note has no prepayment penalty. The other loans and expenses covered by SeD for the benefit of the Company are not covered under a loan document.

On July 13, 2015, the Company entered into a Loan Conversion Agreement with SeD, pursuant to which SeD converted outstanding loans made to the Company into common stock of the Company at a rate of $5.00 per share (rounded to the nearest full share). The total amount converted consists of outstanding principal in the amount of $5,250,554 Singapore Dollars or $3,888,437 USD as of exchange rate on July 10, 2015, which amount was evidenced by a promissory note in favor of SeD effective December 28, 2014 ("SeD Promissory Note"). The principal amount of $3,888,437 was converted to common stock of the Company, and in exchange, SeD received 777,687 shares of common stock of the Company. The other loans and expenses covered by SeD for the benefit of the Company are not covered under a loan document.

On March 25, 2015, HotApps International Pte Ltd ("HIP") acquired 100% of issued share capital in HotApp International Limited, a Hong Kong company, for a cash consideration of HK$1.00 from Mr. Chan Heng Fai, a substantial stockholder and the Company's Executive Director and Acting CEO. HotApp International Limited is a corporation incorporated in Hong Kong Special Administrative Region of the People's Republic of China with a total issued share capital of HK$1.00 represented by one (1) issued share at HK$1.00 each. The consideration of the acquisition was based on the issued share capital of HotApp International Limited, which is principally engaged in the sales and marketing of mobile application. HotApp International Limited was dormant and has a net equity deficiency of HK$5,456 due to incorporation expenses as at the date of acquisition.

On January 25, 2017, the Company entered into an Agreement for Services with iGalen International Inc. ("iGalen"), a company specializing in dietary supplements, to provide iGalen with a mobile enterprise resource planning platform ("Mobile App") for iGalen's members. Under the terms of the agreement, iGalen, a U.S.-based network marketing company which is 53% owned by SeD, agreed to share 3% of its entire annual global revenue with the Company for the financial year ending December 31, 2017. In exchange, the Company assumed responsibility for maintaining and upgrading the Mobile App platform, as well as providing the required cloud infrastructure. The Company agreed to absorb the cost of development of the Mobile App, and agreed not to charge individual members for use of the Mobile App's standard functions.

On March 27, 2017, the Company entered into a Loan Conversion Agreement with SeD, pursuant to which SeD agreed to convert $450,890 of debt owed by the Company to SeD into 500,988,889 common shares at a conversion price of $0.0009. The captioned shares were issued on June 9, 2017, and SeD owned 99.979% of the Company after such transactions.

On December 20, 2018, the Board of Directors of SeD announced its intention to sell up to 3,200,000 shares of the Company to independent third parties at US$0.50 per share for an aggregate cash consideration of up to US$1,600,000. The purpose of this proposed sale was to raise funds to continue to support the general corporate and working capital of the Company, including but not limited to the operating costs of the Company. As of December 31, 2019, SeD has sold 606,900 shares of the Company to independent third parties, and SeD owned 99.859% of the Company after such transactions.

On March 27, 2017, SeD and the Company entered into a Preferred Stock Cancellation Agreement, by which SeD agreed to cancel its 13,800,000 shares of Perpetual Preferred Stock issued by the Company. On June 8, 2017, a Certificate of Retirement for 13,800,000 shares of the Perpetual Preferred Stock has been filed with the office of Secretary of State of the State of Delaware.

On October 25, 2018, HotApps International Pte. Ltd. ("HIP") entered into an Equity Purchase Agreement with DSS Asia Limited ("DSS Asia"), a Hong Kong subsidiary of DSS International Inc. ("DSS International"), pursuant to which HIP agreed to sell to DSS Asia all of the issued and outstanding shares of HotApps Information Technology Co. Ltd., also known as Guangzhou HotApps Technology Ltd. ("Guangzhou HotApps"). Guangzhou HotApps was a wholly owned subsidiary of HIP, which was primarily engaged in engineering work for software development, mainly voice over internet protocol. Guangzhou HotApps was also involved in a number of outsourcing projects, including projects related to real estate and lighting.

The parties to the Equity Purchase Agreement agreed that the purchase price for this transaction would be $100,000, which would be paid in the form of a two-year, interest free, unsecured, demand promissory note in the principal amount of $100,000, and that such note would be due and payable in full in two years. The closing of the Equity Purchase Agreement was subject to certain conditions; these conditions were met and the transaction closed on January 14, 2019.

Mr. Chan Heng Fai is the Acting Chief Executive Officer and a Member of the Board of Directors of the Company. He is also the Chief Executive Officer, Chairman and controlling stockholder of Singapore eDevelopment Limited, the majority stockholder of the Company. Mr. Chan is also the Chief Executive Officer and Chairman of DSS International and a significant stockholder and a member of the Board of Document Security Systems Inc., which is the sole owner of DSS International. Mr. Chan Heng Fai is also a member of the Board of Directors of Document Security Systems and a stockholder of Document Security Systems. Lum Kan Fai, a member of the Board of Directors of the Company, is also an employee of DSS International.

We believe that the foregoing transactions were in our best interests. Consistent with Section 144 of the Delaware General Corporation Law, it is our current policy that all transactions between us and our officers, directors and their affiliates will be entered into only if such transactions are approved by a majority of the disinterested directors, are approved by vote of the stockholders or are fair to us as a corporation as of the time they were authorized, approved or ratified by the board. We will conduct an appropriate review of all related party transactions on an ongoing basis, and, where appropriate, we will utilize our audit committee for the review of potential conflicts of interest.

Except as set forth above, none of the following persons has any direct or indirect material interest in any transaction to which we are a party since our incorporation or in any proposed transaction to which we are proposed to be a party:

(A) Any of our directors or officers;
(B) Any proposed nominee for election as our director;
(C) Any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our common stock; or
(D) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same house as such person or who is a director or officer of any parent or subsidiary of our Company.

Item 14. Principal Accounting Fees and Services.

The following table indicates the fees paid by us for services performed for the:

	Year Ended December 31,	
	2019	**2018**
Audit Fees	$ 40,000	$ 40,000
Tax Fees	4,000	4,000
Total	$ 44,000	$ 44,000

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) (1) List of Financial Statements included in Part II hereof:

Consolidated Balance Sheets as of December 31, 2019 and 2018
Consolidated Statements of Operations and Comprehensive Loss for the Years Ended December 31, 2019 and 2018
Consolidated Statements of Stockholder Equity (Deficit) for the Period January 1, 2018 to December 31, 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2019 and 2018

(a) (2) List of Financial Statement schedules included in Part IV hereof:

None

(a) (3) Exhibits

The following exhibits are included herewith:

Exhibit Number	Description
3.1	Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed on March 21, 2014).
3.1.1	Certificate of Amendment to the Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1.(i) to the Company's Current Report on Form 8-K filed on December 9, 2014).
3.1.2	Certificate of Amendment to the Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1.2 to the Company's Annual Report on Form 10-K for the period ended December 31, 2017 filed on April 2, 2018).
3.2.1	Bylaws (incorporated herein by reference to Exhibit 3.2.1 to the Company's Annual Report on Form 10-K for the period ended December 31, 2017 filed on April 2, 2018).
10.7	Agreement for Services dated January 25, 2017, by and between the Company and IGalen International Inc. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 21, 2017).
10.8	Loan Conversion Agreement, by and among HotApp International Inc. and Singapore eDevelopment Limited, dated as of March 27, 2017 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 31, 2017).
10.9	Preferred Stock Cancellation Agreement, by and among HotApp International Inc. and Singapore eDevelopment Limited, dated as of March 27, 2017 (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 31, 2017).
10.10	Outsource Technology Development Agreement, by and between Document Security Systems, Inc. and HotApp International Ltd., dated as of March 1, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2018, filed on May 15, 2018).
10.11	HotApp Blockchain Inc. 2018 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 3, 2018).
10.12	Term Sheet, by and between HotApps International Pte Ltd and Alpha Mind Pte Ltd, dated as of September 14, 2018 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 20, 2018).

10.13	Guangzhou HotApp Equity Purchase Agreement (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2018 filed on November 14, 2018).
21.1*	Subsidiaries of the Registrant
31.1*	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive and Financial Officer 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

* Filed with this document

Item 16. Form 10-K Summary

None.

SIGNATURES

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

		HOTAPP BLOCKCHAIN INC.
Date: March 30, 2020	By:	/s/ Chan Heng Fai
		Chan Heng Fai Acting Chief Executive Officer (Principal Executive Officer)
Date: March 30, 2020	By:	/s/ Lui Wai Leung, Alan
		Lui Wai Leung, Alan Chief Financial Officer (Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ Chan Heng Fai Chan Heng Fai	Acting Chief Executive Officer, Executive Chairman of the Board (Principal Executive Officer)	March 30, 2020
/s/ Lui Wai Leung, Alan Lui Wai Leung, Alan	Chief Financial Officer (Principal Financial and Accounting Officer)	March 30, 2020
/s/ Lum Kan Fai Lum Kan Fai	Vice Chairman of the Board	March 30, 2020
/s/ Sanjib Kalita Sanjib Kalita	Director	March 30, 2020