

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, 2017

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
(State or other jurisdiction of incorporation or organization)

45-4742558
(I.R.S. Employer Identification No.)

4800 Montgomery Lane, Suite 210 Bethesda MD
(Address of principal executive offices)

20814
(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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☐ No ☐

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained herein, and will not be contained, to the best of registrant’s knowledge, in definite proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 ☐ (Do not check if a smaller reporting company) Smaller reporting company ☒
Emerging growth company ☒

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

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

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, 2017; as of June 30, 2017, 108,000 shares were held by non-affiliates, which had been sold to such non-affiliates for total proceeds of \$5,400.

Indicate the number of shares outstanding of each the registrant’s classes of common stock, as of the latest practicable date. As of April 2, 2018, 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

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. The Company determined it was in the best interest of the shareholders to expand its business plan. On October 15, 2014, through a sale and purchase agreement (the “Purchase Agreement”) the Company acquired all the issued and outstanding stock of HotApps International Pte Ltd (“HIP”) from Singapore eDevelopment Limited (“SeD”). HIP owned certain intellectual property relating to instant messaging for portable devices (“HotApp”). HotApp is a cross-platform mobile application that incorporates instant messaging and ecommerce. It provides a messaging and calling services for HotApp users (text, photo, audio). HotApp can be used on any mobile platform (i.e. IOS Online or Android).

Pursuant to the Purchase Agreement, the Company issued SeD 1,000,000 shares of common stock and 13,800,000 shares of newly created convertible preferred stock. See Note 6 to the Financial Statements for a further description.

As of December 31, 2017, 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 |
| 2nd Tier Subsidiaries: | | | |
| Crypto Exchange Pte. Ltd., formerly HotApps Call Pte Ltd | September 15, 2014 | Republic of Singapore | 100% owned by HIP |
| HotApps Information Technology Co Ltd | November 10, 2014 | People’s Republic of China | 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 acquired 100% of issued share capital in HotApp International Limited.

The Group has relied significantly on SeD as its principal sources of funding during the year. With the restructuring efforts in 2016, HotApp has reduced its expense runway significantly and had revamped its business model and technology platform to focus on business-to-business (“B2B”) services, built around enterprise communications and workflow. Its product line will target these industries: (i) network and direct marketing; (ii) enterprise Voice-over-IP; (iii) enterprise messaging; and (iv) e-commerce. This strategic shift is intended to create commercial value with a sharper focus.

Our Business

HotApp Blockchain Inc. is a software development service and project management company specializing in Voice over IP (VoIP), enterprise messaging, eCommerce and we recently moved up our technology coverage into blockchain platform architecture and systems development.

Through previous project management, HotApp Blockchain Inc. has built a number of reusable application modules and framework. These properties 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. Our platform tools empower these communities to share their thoughts and words across multiple channels. As these communities grow, they provide the critical mass that attracts enterprises. Enterprises in turn enhance user experience with premium contents, all of which are facilitated by the transactions of every stakeholder via e-commerce.

Trends in the Market and Our Opportunity

2017 has been a fast changing year in technology, the embracing of digital strategy for traditional business has been well recognized and realized, resulting in high demand in enterprise messaging and collaboration services. According to a November 2016 forecast by eMarketer, a leading research company for digital business professionals, more than one-quarter of the world’s population will be using mobile messaging apps by 2019. eMarketer also projected that mobile phone messaging apps would be used by more than 1.4 billion people in 2016, an increase of almost 16% from 2015. The Asia-Pacific region is home to more than 50% of all chat app users worldwide, with more than 805 million consumers in 2016.

In addition to the substantial opportunities in consumer messaging market, Enterprise Messaging and Collaboration Services and Apps are widely deployed in Small Medium Enterprises (SMEs) and Large Enterprise as an alternative to Email and Intranet. This emerging need in Enterprise Messaging and Collaboration offers a huge opportunity for IT service providers in offering development, integration and white label services for SMEs and Corporations. According to Statista, global messaging platform service providers are expected to bring in US\$1.8 billion revenue riding on the growth in growing demand of Enterprise Messaging.

On the other hand, a new wave of fund raising exercise has emerged - Initial Coin Offerings (ICOs). ICOs exploded onto the scene in 2017, going from a relatively unknown fundraising method used in the blockchain community, to raising over \$4 billion in 2017. ICOs have allowed blockchain startups to crowdfund their projects through the blockchain by issuing digital tokens, which the user can then trade, spend, and use within the blockchain platform. There is a huge demand in ICO technology consulting from startups and traditional business using smart contract and token creation to launch new business activities. (Source ICodata: <https://www.icodata.io/stats/2017>).

Based upon the above trends, we believe significant opportunities exist for:

- Enterprises deploying messaging platform to effectively engage different stakeholders.
- Continuing growth in demand for over the top ("OTT") Services encapsulated within a single mobile app with a clear intent and objectives fulfilling the communication need for specific communities and industries.
- Enterprises to increase usage of OTT Services, such as adoption of Enterprise messaging Apps alongside with using of email, video and audio conferencing, collaboration through cloud services, as a new medium for different stakeholder engagement including customers, to promote and market their products and services (Collaboration Framework). HotApp’s approach in white labelling for the enterprises will augment and fill this demand in the market. White label refers to packaging HotApp solution under brand name of clients with some content being customized only for clients.
- Industries such as Network Marketing and Hospitality and Franchising businesses are utilizing Mobile friendly solutions to reach out effectively to their marketing network on a global basis.
- The ICO wave in Asia demands technology service from HotApp Blockchain Inc. to support in the area of System Architecture and business modeling, there is an immediate opportunity to position HotApp Blockchain Inc. as a technology consultant for the organization which plan for ICO initiatives.

Our Plan of Operations and Growth Strategy

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

- Position HotApp as an open platform to be ready for integration with third party technology partnerships such as eCommerce, ePayment and cryptocurrency integration.
- Engage Mobile App Integration Opportunities for Enterprises globally through “Powered by HotApp” initiatives, enabling Offline businesses to go On Line (O2O) with HotApp technology support. Powered by HotApp, is a business initiative from HotApp International Limited, that offers modules in HotApp technology for service and customization, targeting vertical industry such as Hospitality and Real Estate Agencies.
- Identify Strategic Partnership Opportunities globally through “Powered by HotApp” initiatives, enabling Offline businesses to go On Line (O2O) with HotApp technology support.
- Position HotApp as the technology consultant and project manager for ICO initiatives in Asia.
- Expand the service portfolio to blockchain / smart contract design and implementation.

In 2017, we have taken the following steps to implement our business plan:

- Revamp HotApp into modular Software Development Kit (SDK) to open up HotApp architecture for 3rd party technology partner integration.
- In progress to develop HotApp Enterprise and secure messaging function.
- Equipped 3 out of 7 of our developers with blockchain programming and architecture skill.

Achieved and Target Milestones

In 2017, we have achieved the following milestones:

- Delivered HotApp services to businesses making use of the HotApp Platform in areas of Hospitality eCommerce and Real Estate Agent Management.
- Built a modular framework for ease of adaptation to white label projects particularly in the Network Marketing Industry.

- Restructured R&D organization with lower cost of development in China and set up a consultative integration team in Hong Kong, ready for HotApp Enterprise deployment.
- Revamped HotApp platform reusable framework allowing quick roll out of new business solutions.

Over the next twelve months we plan to:

- Move up the technology offering into blockchain related technical services and consulting; 3 out of 7 of our developers will be dedicated to blockchain related technologies.
- Development of white label solutions for network marketing and franchising business.
- Further explore new technology and commercialization strategic alliances.

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.
- Blockchain related consulting services.
- Selected contract development services.

Our Competition and Industries We Operate In

With the focus as 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.
- Continuing to develop talent and skill within the organization and hiring of best developers and business consulting.
- Closely monitoring the cryptocurrency and ICO market situation.
- 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 and maintain our high value 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.
- Changing market behavior for those using competitive platform.
- Changes in regulations from various government in the world for ICO and cryptocurrency related activities.

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.
- Ready to deploy Platform - Our “Powered by HotApp” initiative creates unique value proposition for HotApp clients and community by integrating best-of-breed technology and defining clear business/ commercialization model for go-to-market.
- Thin and lean organization structure - to effectively adapt to the growth and shrink of operation based on market and sales pipelines.
- 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.
- 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, including the Peoples’ Republic of China (“PRC”) 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.

Foreign Exchange Regulation

The principal regulations governing foreign currency exchange in the PRC are the Foreign Exchange Administration Regulations. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans or foreign currency is to be remitted into China under the capital account, such as a capital increase or foreign currency loans to our PRC subsidiaries.

Employees and Employment Agreements

At the beginning of 2017, we had 17 employees. We had 8 employees at the end of 2017, resulting from the streamlining and restructuring of the Company. We expect to maintain our headcounts at current levels with moderate increases in line with business activities for the foreseeable future and if our financing permits. The Company has employees under written contracts that provide for at will termination and include confidentiality clauses.

The Company hired Mr. Lum Kan Fai on June 1, 2015 and Mr. Lum has served as a member of the Company’s Board of Directors and as the Company’s Chief Technology Officer (CTO) since June 14, 2015. On June 21, 2017, the Company appointed Mr. Lum as the Company’s Chief Executive Officer (CEO) and President, and Mr. Lum resigned as CTO. Effective as of December 1, 2017, Mr. Lum voluntarily resigned as CEO and President of the Company. Mr. Lum has been appointed as Vice Chairman of the Company’s Board of Directors.

Mr. Lee Wang Kei joined the Company as a System Architect since August of 2015, and has served as the Company’s CTO since June 21, 2017. Effective as of December 1, 2017, the Company appointed Mr. Lee as the Company’s CEO. Mr. Lee will continue to serve as CTO while serving as CEO.

At the present time, Mr. Lee has an employment agreement with the Company’s subsidiary HotApp International Limited in Hong Kong, but has no employment agreement with the Company. Pursuant to his current agreement, Mr. Lee is presently paid HK\$25,000 (approximately U.S. \$3,200) per month and is eligible for a bonus based on performance.

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, 2017 contains an explanatory paragraph as to our potential inability 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, 2017 contained herein, we have incurred net losses, net cash used in operating activities and have working capital deficit of \$784,418 at December 31, 2017. 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 initial operational results with respect to user acceptance of our HotApp product, 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

Lack of commercial acceptability.

Our HotApp cross-platform messaging and social media mobile application was launched in China in the first quarter of 2015. To date, we have a limited user base and limited indications of commercial acceptability. While we believe that our product will be commercially received, we cannot predict if our product will be a commercial success.

Our new product could fail to attract or retain users or generate revenue.

Our ability to retain, increase, and engage our user base and to monetize existing and new users depends heavily on our ability to create successful new products, both independently and in conjunction with developers or other third parties. In October 2014, we acquired HotApps International Pte. Ltd and its HotApp mobile application. Since our commercial launch of the application, our user base has been limited and we have not yet been able to monetize our application. We may not be successful in our efforts to generate meaningful revenue from HotApp over the long term. If HotApp fails to engage users, marketers, or developers, or if we are unsuccessful in our monetization efforts, we may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify our investments, and our business may be adversely affected.

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 includes further product development, product marketing and general overhead expenditures. While the Company considers its business to be highly prospective, nonetheless 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.

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 market situation in relationship to cryptocurrency and ICOs is dynamic.

While the company recognizes the potential of blockchain technology in relationship to ICO projects, ICOs are currently vulnerable to misrepresentation, fraud and manipulation. ICOs may also be structured in such a way that they are not subject to supervision by the AFM. In addition, due to their unregulated status and the anonymous nature of the transactions involved, ICOs are attractive for the laundering of money obtained by criminal means. The current hype surrounding cryptocurrencies and ICOs may involve to these risks. Because of these risks, there is a strong possibility that regulators will make policies to control the risk that might affect the opportunities and acceptance of ICOs and the related technology services.

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 \$5,126,964 and has net working capital deficit of \$784,418 at December 31, 2017. We expect to operate with net losses for the next financial year-ending December 31, 2018 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. 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.

We cannot assure investors that we will effectively manage our growth.

With the change in market place, our management team had been closely monitoring the human resources requirement to ensure balance of resources in development and marketing. We have reduced our headcounts from 17 at December 31, 2016 to 8 as at the end of 2017. We expect to maintain current headcount levels with moderate increases in line with business activities for the foreseeable future. The growth and expansion of our business and products create significant challenges for our management, operational, and financial resources, including managing multiple relations with users, marketers, developers, and other third parties. In the event of continued growth of our operations or in the number of our third-party relationships, our information technology systems or our internal controls and procedures may not be adequate to support our operations. In addition, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. To effectively manage our growth, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As our organization continues to grow, and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. This could negatively affect our business performance.

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 currently depend on the continued services and performance of our key personnel, including Mr. Chan Heng Fai, Mr. Lum Kan Fai and Mr. Lee Wang Kei. In addition, many of our key technologies and systems are custom-made for our business by our personnel. The loss of key personnel, including members of management as well as key engineering, product development, marketing, and sales personnel, could disrupt our operations and have an adverse effect on our business.

Our success also depends upon our ability to attract and retain the personnel we need to maintain our competitive position. In particular, we intend to continue to hire a significant number of technical personnel in the foreseeable future, and we expect to face significant competition from other companies in hiring such personnel. Our ability to hire and retain qualified personnel could be impaired by any diminution of our reputation, decrease in compensation levels relative to our competitors, modifications of our compensation philosophy or competitor hiring programs. If we cannot attract, hire and retain qualified personnel, our business, financial condition and results of operations would be adversely affected.

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 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 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.

However, for as long as we remain an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We intend to take advantage of these reporting exemptions until we are no longer an "emerging growth company."

We will remain an "emerging growth company" for up to five years, although if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of any June 30 before that time, we would cease to be an "emerging growth company" as of the following December 31.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

An "emerging growth company," as defined in the Jumpstart our Business Startups Act of 2012, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Singapore eDevelopment Limited owns a significant amount of the outstanding common stock and could take actions detrimental to investments for which there would be no remedy.

Singapore eDevelopment Limited beneficially owns approximately 99.979% of the outstanding common stock as of the date of this filing. Through this ownership, the shareholder has the ability to substantially influence the board, management, 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 the shareholdings of the shareholder may cause the company to engage in business combinations without having to seeking shareholder 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 shareholder but not in the interest of the other investors. Additionally, as investors one would not be able to obtain the necessary shareholder vote to affect any change in the course of our business. This lack of shareholder control could prevent investors from removing from the Board of Directors any directors who are not managing the company with sufficient skill to make it profitable, which could prevent us from becoming profitable.

Because our management is inexperienced in operating our business, our business plan may fail.

Our management does not have any specific experience in implementing the commercial launch of a mobile application. With no direct experience in this area, our management may not be fully aware of many of the specific requirements related to working within this industry. As a result, our management may lack certain skills that are advantageous in managing our company. Consequently, our operations, earnings, and ultimate financial success could suffer irreparable harm due to management's lack of experience in this industry.

We may face liability for information displayed on or accessible via our website, and for other content and commerce-related activities, which could reduce our net worth and working capital and increase our operating losses.

We could face claims for errors, defamation, negligence or 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 are exposed or may not be adequate to indemnify us for all liabilities that may be exposed. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage would reduce our net worth and working capital and increase our operating 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 also may 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 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 shareholders.

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 shareholders. 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 continued growth is the ability of our users (whom we define as anyone who download and use) 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 or 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 users expect, users may seek other services to obtain the information for which they are looking, and may not return to our use our services as often in the future, or at all. This would negatively impact our ability to attract users and increase engagement of our 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 service 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 use of our solutions.

Our application 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 issue, 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 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 about 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 our 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.

We could experience unforeseen difficulties in building and operating key portions of our technical infrastructure.

We have designed and built our own data centers and key portions of our technical infrastructure through which we serve our products, and we plan to continue to significantly expand the size of our infrastructure primarily through data centers and other projects. The infrastructure expansion we are undertaking is complex, and unanticipated delays in the completion of these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of our products. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after we have started to fully utilize the underlying equipment, that could further degrade the user experience or increase our costs.

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 affect 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 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 DOING BUSINESS IN THE PEOPLES REPUBLIC OF CHINA (“PRC”)

Regulations on Tax

PRC Enterprise Income Tax

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

The EIT Law and its implementation rules permit certain High and New Technologies Enterprises, or HNTes, to enjoy a reduced 15% enterprise income tax rate subject to these HNTes meeting certain qualification criteria. In addition, the relevant EIT laws and regulations also provide that entities recognized as Software Enterprises are able to enjoy a tax holiday consisting of a 2-year-exemption commencing from their first profitable year and a 50% reduction in ordinary tax rate in the subsequent three years, while entities qualified as Key Software Enterprises can enjoy a preferential EIT rate of 10%. A number of our PRC subsidiaries and operating entities enjoy these types of preferential tax treatment. See “Taxation — People’s Republic of China Taxation.”

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

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

We do not believe that we meet any of the conditions outlined in the immediately preceding paragraph.

Under Circular 698, if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5%, or (ii) does not tax foreign income of its residents, the non-resident enterprise, being the transferor, must report such disposition to the PRC competent tax authority of the PRC resident enterprise. The PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding, or deferring PRC tax. As a result, gains derived from such disposition may be subject to a PRC withholding tax rate of up to 10%. Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price which is not on an arm’s length basis and results in reducing the taxable income, the relevant tax authority has the power to make a reasonable adjustment as to the taxable income of the transaction. Circular 698 was retroactively effective on January 1, 2008. On March 28, 2011, the State Administration of Taxation released SAT Public Notice 24 to clarify several issues related to Circular 698. SAT Public Notice 24 became effective on April 1, 2011. According to SAT Public Notice 24, the term “effective tax” refers to the effective tax on the gain derived from disposition of the equity interests of an overseas holding company; and the term “does not impose income tax” refers to cases where the gains derived from disposition of the equity interests of an overseas holding company is not subject to income tax in the country or region where the overseas holding company is a resident. There is uncertainty as to the application of Circular 698.

PRC Business Tax

Pursuant to applicable PRC tax regulations, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenues generated from providing such services. However, if the services provided are related to technology development and transfer, such business tax may be exempted subject to approval by the relevant tax authorities.

In November 2011, the Ministry of Finance and the State Administration of Taxation promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax. Pursuant to this plan and relevant notices, from August 1, 2013, a value-added tax will generally be imposed to replace the business tax in the transport and shipping industry and some of the modern service industries on a nationwide basis. A value-added tax, or VAT, rate of 6% applies to revenue derived from the provision of some modern services. Unlike business tax, a taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the modern services provided. Accordingly, although the 6% VAT rate is higher than the previously applicable 5% business tax rate, no materially different tax cost to us has resulted or do we expect to result from the replacement of the business tax with a VAT on our services.

Regulations Relating to Foreign Exchange and Dividend Distribution

Foreign Exchange Regulation

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans or foreign currency is to be remitted into China under the capital account, such as a capital increase or foreign currency loans to our PRC subsidiaries.

Regulation of Dividend Distribution

The principal laws, rules and regulations governing dividend distribution by foreign-invested enterprises in the PRC are the Company Law of the PRC, as amended, the Wholly Foreign-owned Enterprise Law and its implementation regulations and the Chinese-foreign Equity Joint Venture Law and its implementation regulations. Under these laws, rules and regulations, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. Both PRC domestic companies and wholly-foreign owned PRC enterprises are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of such reserves reaches 50% of their registered capital. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Labor Laws and Social Insurance

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

In addition, according to the PRC Social Insurance Law, employers in China must provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

Regulations on Anti-Monopoly Law

The PRC Anti-Monopoly Law, which took effect on August 1, 2008, prohibits monopolistic conduct, such as entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have the effect of eliminating or restricting competition.

Regulation of Advertising Services

The principal regulations governing advertising businesses in China are:

- The Advertising Law of the PRC (1994);
- The Advertising Administrative Regulations (1987);
- The Implementing Rules for the Advertising Administrative Regulations (2004); and
- The Administration Rules of Foreign-invested Advertising Enterprises (2008).

These laws, rules and regulations require companies such as ours that engage in advertising activities to obtain a business license that explicitly includes advertising in the business scope from the SAIC or its local branches.

Applicable PRC advertising laws, rules and regulations contain certain prohibitions on the content of advertisements in China (including prohibitions on misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest). Advertisements for anesthetic, psychotropic, toxic or radioactive drugs are prohibited, and the dissemination of advertisements of certain other products, such as tobacco, patented products, pharmaceuticals, medical instruments, agrochemicals, foodstuff, alcohol and cosmetics, are also subject to specific restrictions and requirements.

Advertisers, advertising operators and advertising distributors, including the businesses that certain of the variable interest entities operate, are required by applicable PRC advertising laws, rules and regulations to ensure that the content of the advertisements they prepare or distribute are true and in compliance with applicable laws, rules and regulations. Violation of these laws, rules and regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, the SAIC or its local branches may revoke the violator's license or permit for advertising business operations. In addition, advertisers, advertising operators or advertising distributors may be subject to civil liability if they infringe the legal rights and interests of third parties, such as infringement of intellectual proprietary rights, unauthorized use of a name or portrait and defamation.

Although advertising services are no longer categorized as a prohibited or restricted area for foreign investment, the Administration Rules of Foreign-invested Advertising Enterprises issued on August 22, 2008 by the SAIC and the Ministry of Commerce, or the MOFCOM, require all foreign investors of advertising enterprises to have a track record in, and mainly engage in, advertising businesses overseas. The establishment of a foreign-invested advertising enterprise is also subject to pre-approval by the SAIC or its local branch.

Regulation of Online and Mobile Commerce

China's online and mobile commerce industry is at an early stage of development and there are few PRC laws, regulations or rules specifically regulating this industry. The SAIC adopted the Interim Measures for the Administration of Online Commodities Trading and Relevant Services on May 31, 2010 and replaced those measures with the Administrative Measures for Online Trading on January 26, 2014, which became effective on March 15, 2014. The SAIC also issued the Opinions on Strengthening the Administration of Online Group Buying Operations on March 12, 2012 to subject group buying website operators to the foregoing measures, especially those relating to marketplace platform service providers. These newly issued measures impose more stringent requirements and obligations on the online trading or service operators as well as the marketplace platform providers. For example, the marketplace platform providers are obligated to examine the legal status of each third-party merchant selling products or services on the platform and display on a prominent location on the web page of such merchant the information stated in the merchant's business license or a link to such business license, and a group buying website operator must only allow a third-party merchant with a proper business license to sell products or services on its platform. Where the marketplace platform providers also act as online distributors, these marketplace platform providers must make a clear distinction between their online direct sales and sales of third-party merchant products on the marketplace platform.

Regulation of Internet Content

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

Regulation of Internet Security

The Decision in Relation to Protection of the Internet Security enacted by the Standing Committee of the National People's Congress of China on December 28, 2000 provides that the following activities conducted through the Internet are subject to criminal punishment:

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

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

Regulation Relating to Privacy Protection

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

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

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

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

Regulation of Website and Mobile Interfaces

Under PRC law, we are required to monitor our websites and the websites hosted on our servers and mobile interfaces for items or content deemed to be socially destabilizing, obscene, superstitious or defamatory, as well as items, content or services that are illegal to sell online or otherwise in other jurisdictions in which we operate our marketplaces, and promptly take appropriate action with respect to such items, content or services. We may also be subject to potential liability for any unlawful actions of our customers or users of our websites or mobile interfaces or for content we distribute that is deemed inappropriate. It may be difficult to determine the type of content that may result in liability to us, and if we are found to be liable, we may be subject to fines, have our relevant business operation licenses revoked, or be prevented from operating our websites or mobile interfaces in China.

In addition, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, tort (including personal injury), other unlawful activity or other theories and claims based on the nature and content of information posted on our marketplaces, including product reviews and message boards, by our buyers, sellers and other marketplace participants.

Regardless of the outcome of such a dispute or lawsuit, we may suffer from negative publicity and reputational damage as a result of these actions.

Regulation of Contractual Arrangements with our Variable Interest Entities

If the PRC government deems that the contractual arrangements in relation to our variable interest entities do not comply with PRC governmental restrictions on foreign investment, or if these regulations or the interpretation of existing regulations changes in the future, we could be subject to penalties or be forced to relinquish our interests in those operations. Foreign ownership of certain types of Internet businesses, such as Internet information services, is subject to restrictions under applicable PRC laws, rules and regulations. For example, foreign investors are generally not permitted to own more than 50% of the equity interests in a value-added telecommunication service provider. Any such foreign investor must also have experience and a good track record in providing value-added telecommunications services overseas.

RISKS RELATED TO OUR COMMON STOCK

Should our stock become quoted on the OTC Markets and if we fail to remain current on our reporting requirements, we could be removed from the OTC Markets which would limit the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

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 10-K, 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.

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
- the 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 about the risks of investing in penny stocks in both public offerings and in secondary trading and about 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 its 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 application;
- 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 in our stock, investors may be unable to resell their shares at a fair price or at a price lower than their entry price.

Expected Limited Trading Market For Our Common Stock.

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 shareholders 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 permits 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 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.

Your ability to bring an action against us or against our directors and officers, or to enforce a judgment against us or them, may be limited because we conduct substantially all of our operations in China and our CEO, CFO and Executive Chairman reside outside the United States.

We conduct substantially all of our operations in China. Our CEO, CFO and Executive Chairman reside outside the United States. As a result, it may be difficult for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of China may render you unable to enforce a judgment against assets or the assets of a directors and officers.

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 shareholder.

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 runs through May 8, 2018 with monthly payments of \$2,373. The Company was required to put up a security deposit of \$4,747. For the year ended December 31, 2017, the Company recorded rent expense of \$27,500 for the Guangzhou office.

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 runs through April 19, 2017 with monthly payments of \$2,559. The Company was required to put up a security deposit of \$5,118. 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 \$3,263. The Company was required to put up a security deposit of \$6,526. For the year ended December 31, 2017, the Company recorded rent expense of \$38,713 for these offices.

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 owner of record or beneficially of more than five percent of any class of voting securities of the Company, or any associate of any such director, officer, 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. The Company is currently in the process of requesting to be quoted on the Pink Sheet OTC Markets (OTC-QB) pursuant to a 15c2-11 filing with FINRA.

Holders

As of the date of filing, we had 34 shareholders 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

The Company does not have securities authorized for issuance under any equity compensation plans.

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 \$450,890.00 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

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

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.**FORWARD-LOOKING STATEMENTS**

Certain matters discussed herein are forward-looking statements. Such forward-looking statements contained in this Annual Report involve risks and uncertainties, including statements as to:

1. our future operating results;
2. our business prospects;
3. any contractual arrangements and relationships with third parties;
4. the dependence of our future success on the general economy;
5. any possible financings; and
6. the adequacy of our cash resources and working capital.

These forward-looking statements can generally be identified as such because the context of the statement will include words such as we “believe,” “anticipate,” “expect,” “estimate” or words of similar meaning. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which are described in close proximity to such statements and which could cause actual results to differ materially from those anticipated as of the date of filing of this Annual Report. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of filing of this Annual Report, and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those anticipated in these forward-looking statements.

Background

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. The Company determined it was in the best interest of the shareholders to expand its business plan. On October 15, 2014, through a sale and purchase agreement (the “Purchase Agreement”) the Company acquired all the issued and outstanding stock of HotApps International Pte Ltd (the “HIP”) from Singapore eDevelopment Limited (“SeD”). HIP owned certain intellectual property relating to instant messaging for portable devices (the “HotApp”). HotApp is a cross-platform mobile application that incorporates instant messaging and ecommerce. It provides a messaging and calling services for HotApp users (text, photo, audio). HotApp can be used on any mobile platform (i.e. IOS Online or Android).

Pursuant to the Purchase Agreement, the Company issued SED 1,000,000 shares of common stock and 13,800,000 shares of newly created convertible preferred stock. See Note 6 for further description.

As of December 31, 2017, 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 |
| 2nd Tier Subsidiaries: | | | |
| Crypto Exchange Pte. Ltd., formerly HotApps Call Pte Ltd | September 15, 2014 | Republic of Singapore | 100% owned by HIP |
| HotApps Information Technology Co Ltd | November 10, 2014 | People’s Republic of China | 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 acquired 100% of issued share capital in HotApp International Limited.

The Group has relied significantly on SeD as its principal sources of funding during the year. With the restructuring efforts in 2016, HotApp has reduced its expense runway significantly and had revamped its business model and technology platform to focus on business-to-business (“B2B”) services, built around enterprise communications and workflow. Its product line will target these industries: (i) network and direct marketing; (ii) enterprise Voice-over-IP; (iii) enterprise messaging; and (iv) e-commerce. This strategic shift is intended to create commercial value with a sharper focus.

Our Business

HotApp Blockchain Inc. is a software development service and project management company specializing in Voice over IP (VoIP), enterprise messaging, eCommerce and lately moved up our technology coverage into blockchain platform architecture and systems development.

Through previous project management, HotApp Blockchain Inc. has built a number of reusable application modules and framework. These properties 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. Our platform tools empower these communities to share their thoughts and words across multiple channels. As these communities grow, they provide the critical mass that attracts enterprises. Enterprises in turn enhance user experience with premium contents, all of which are facilitated by the transactions of every stakeholder via e-commerce.

Trends in the Market and Our Opportunity

2017 has been a fast-changing year in technology, the embracing of digital strategy for traditional business has been well recognized and realized, resulting in high demand in enterprise messaging and collaboration services. According to a November 2016 forecast by eMarketer, a leading research company for digital business professionals, more than one-quarter of the world's population will be using mobile messaging apps by 2019. eMarketer also projected that mobile phone messaging apps would be used by more than 1.4 billion people in 2016, an increase of almost 16% from 2015. The Asia-Pacific region is home to more than 50% of all chat app users worldwide, with more than 805 million consumers in 2016.

In addition to the substantial opportunities in consumer messaging market, Enterprise Messaging and Collaboration Services and Apps are widely deployed in Small Medium Enterprises (SMEs) and Large Enterprise as an alternative to Email and Intranet. This emerging need in Enterprise Messaging and Collaboration offers a huge opportunity for IT service providers in offering development, integration and white label services for SMEs and Corporations. According to Statista, global messaging platform service providers are expected to bring in US\$1.8 billion revenue riding on the growth in growing demand of Enterprise Messaging.

On the other hand, a new wave of fund raising exercise has emerged - Initial Coin Offerings (ICOs). ICOs exploded onto the scene in 2017, going from a relatively unknown fundraising method used in the blockchain community, to raising over \$4 billion in 2017. ICOs have allowed blockchain startups to crowdfund their projects through the blockchain by issuing digital tokens, which the user can then trade, spend, and use within the blockchain platform. There is a huge demand in ICO technology consulting from startups and traditional business using smart contract and token creation to launch new business activities. (Source ICodata: <https://www.icodata.io/stats/2017>).

Based upon the above trends, we believe significant opportunities exist for:

- Enterprises deploying messaging platform to effectively engage different stakeholders.
- Continuing growth in demand for OTT Services encapsulated within a single mobile app with a clear intent and objectives fulfilling the communication need for specific communities and industries.
- Enterprises to increase usage of OTT Services, such as adoption of Enterprise messaging Apps alongside with using of email, video and audio conferencing, collaboration through cloud services, as a new medium for different stakeholder engagement including customers, to promote and market their products and services (Collaboration Framework). HotApp's approach in white labelling for the enterprises will augment and fill this demand in the market. White label refers to packaging HotApp solution under brand name of clients with some content being customized only for clients.
- Industries such as Network Marketing and Hospitality and Franchising businesses are utilizing Mobile friendly solutions to reach out effectively to their marketing network on a global basis.
- The ICO wave in Asia demands technology service from HotApp Blockchain Inc. to support in the area of System Architecture and business modeling, there is an immediate opportunity to position HotApp Blockchain Inc. as a technology consultant for the organization which plan for ICO initiatives.

Our Plan of Operations and Growth Strategy

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

- Position HotApp as an open platform to be ready for integration with third party technology partnerships such as eCommerce, ePayment and cryptocurrency integration.
- Engage Mobile App Integration Opportunities for Enterprises globally through "Powered by HotApp" initiatives, enabling Offline businesses to go On Line (O2O) with HotApp technology support. Powered by HotApp, is a business initiative from HotApp International Limited, that offers modules in HotApp technology for service and customization, targeting vertical industry such as Hospitality and Real Estate Agencies.
- Identify Strategic Partnership Opportunities globally through "Powered by HotApp" initiatives, enabling Offline businesses to go On Line (O2O) with HotApp technology support.
- Position HotApp as the technology consultant and project manager for ICO initiatives in Asia.
- Expand the service portfolio to blockchain / smart contract design and implementation.

In 2017, we have taken the following steps to implement our business plan:

- Revamp HotApp into modular Software Development Kit (SDK) to open up HotApp architecture for 3rd party technology partner integration.
- In progress to develop HotApp Enterprise and secure messaging function.
- Equipped 3 out of 7 of our developers with blockchain programming and architecture skill.

Achieved and Target Milestones:

In 2017, we have achieved the following milestones:

- Delivered HotApp services to businesses making use of the HotApp Platform in areas of Hospitality eCommerce and Real Estate Agent Management.
- Built a modular framework for ease of adaptation to white label projects particularly in the Network Marketing Industry.
- Restructured R&D organization with lower cost of development in China and set up a consultative integration team in Hong Kong, ready for HotApp Enterprise deployment.
- Revamped HotApp platform reusable framework allowing quick roll out of new business solution

Over the next twelve months we plan to:

- Move up the technology offering into blockchain related technical services and consulting; 3 out of 7 of our developers will be dedicated to blockchain related technologies.
- Develop white label solutions for network marketing and franchising business.
- Further explore new technology and commercialization strategic alliances.

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.
- Blockchain related consulting services.
- Selected contract development services.

**RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017 COMPARED TO
YEAR ENDED DECEMBER 31, 2016**

Results of Operations

For the years ended December 31, 2017 and 2016

Revenue

Revenue consists primarily of the service rendered on software projects. Some of projects require significant software production. Total revenue for the year ended December 31, 2017 and 2016 were \$247,989 and \$151,443 respectively. The significant increase in 2017 was due to a service agreement with iGalen, an affiliate. The agreement has contributed \$134,877 revenue in 2017.

Cost of revenue

Cost of revenue consist primarily of salary and outside consulting expenses incurred directly to the projects. Total cost of revenue for the year ended December 31, 2017 and 2016 were \$81,516 and \$55,213, respectively.

Research and Development Expense

Research and development expenses consists primarily of salary and benefits. Expenditures incurred during the research phase are expensed as incurred. Total research and development for the year ended December 31, 2017 and 2016 were \$169,853 and \$364,900 respectively. The decrease was due to the reduction of development staff which is in line with the streamlining and restructuring of Company.

Sales and Marketing Expense

Sales and marketing expenses consist primarily of third party professional service providers. We expect our sales and marketing expenses to decrease as we streamline our business. Total sales and marketing expenses for the years ended December 31, 2017 and 2016 were \$0 and \$(64,666), respectively. The negative (\$64,666) was due to a reversal of \$65,252 provision for HotApp Credit Points because the program was eliminated.

General and Administrative

General and administrative expenses consist primarily of salary and benefits, professional fees and rental expense. We expect our general and administrative expenses to maintain with moderate changes in line with business activities. Total general and administrative expenses for the years ended December 31, 2017 and 2016 were \$668,498 and \$666,465.

Other Expense / Income

For the years ended December 2017 and 2016, we have incurred \$131 and \$8,093 in loss on disposal of fixed assets, \$2,722 and \$0 on deposit written off. For the years ended December 2017 and 2016, we have incurred \$0 and \$2,072 on the impairment provision of the amount due from a related party. For the years ended December 2017 and 2016, we have incurred \$176,649 and \$(60,164) in foreign exchange gain (loss), \$4 and \$2 in interest income, and \$90 and \$0 in other sundry income.

Liquidity and Capital Resources

At December 31, 2017, we had cash of \$124,739 and working capital deficit of \$784,418. Cash had increased during 2017 primarily due to receipt of the revenue earned.

We had a total stockholders' deficit of \$761,481 and an accumulated deficit of \$5,126,964 as of December 31, 2017 compared with a total stockholders' deficit of \$498,315 and an accumulated deficit of \$4,628,976 as of December 31, 2016. This difference is primarily due to the net loss incurred during the year and the Shareholder's loan conversion during the year.

For the year ended December 31, 2017, we recorded a net loss of \$497,988.

We had net cash used in operating activities of \$739,197 for the year ended December 31, 2017. We had a positive change of \$30,332 due to costs in excess of billings and a negative change of \$107,341 due to accounts receivable. We had a negative change of \$2,882 due to prepaid expenses and a positive change of \$3,497 due to security deposit and other assets. We had a negative change of \$28,228 due to accounts payable and accrued expenses.

For the year ended December 31, 2016, we recorded a net loss of \$940,796.

We had net cash used in operating activities of \$966,162 for the year ended December 31, 2016. We made a positive adjustment of \$37,327 due to depreciation and a positive adjustment of \$2,072 due to the provision for impairment of the amount due from a related party. We made a positive adjustment of \$8,093 due to loss on disposal of fixed asset and a positive adjustment of \$60,164 due to foreign currency transaction loss. We had a negative change of \$30,332 due to costs in excess of billings and a positive change of \$21,842 due to prepaid expenses. We had a positive change of \$9,040 due to security deposit and other assets and a negative change of \$141,064 due to accounts payable and accrued expenses. We had a positive change of \$7,492 due to accrued taxes and franchise fee.

For the year ended December 31, 2017, we spent \$14,181 on the acquisition of fixed assets, resulting in net cash used in investing activities of \$14,181 for the year.

For the year ended December 31, 2016, we spent \$12,795 on the acquisition of fixed assets and received \$113,587 on the disposal of fixed assets, resulting in net cash provided by investing activities of \$100,792 for the year.

For the year ended December 31, 2017, we had net cash provided by financial activities of \$814,760 due to advances from an affiliate amounting to \$814,760.

For the year ended December 31, 2016, we had net cash provided by financial activities of \$453,785 due to advances from an affiliate amounting to \$453,785.

As of December 31, 2017, we have fixed operating office lease agreements for Guangzhou's office amounting to US\$11,867 in 2018 and Hong Kong's office amounting to US\$9,789 in 2018.

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 shareholders 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

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. The Company currently has \$247,989 revenue from its services rendered on projects and plans to derive its revenue from membership subscription services, offering the platform for mobile games developed by third parties and other services, including the use of the paid emoticons and mobile marketing services. Revenue is currently recognized under contract accounting when the agreement requires significant software production, and the percentage-of-completion method is used in accordance with ASC 605-35. The Company is recognizing the percentage-of-completion based on input measures that measured directly from cost incurred, and management reviews progress-to-completion. In case of the 3% iGalen revenue sharing, the arrangement has met all of the four criteria for ASC 985-605-25-3 and revenue is recognized accordingly. Persuasive evidence of an arrangement exists as written agreement has been signed, delivery has occurred as iGalen has access to the software, the fee is determinable, and collectability is probable.

Research and development expenses

Research and development expenses primarily consist of (i) salaries and benefits for research and development personnel, and (ii) office rental, general expenses and depreciation expenses associated with the research and development activities. The Company's research and development activities primarily consist of the research and development of new features for its mobile platform and its self-developed mobile games. Expenditures incurred during the research phase are expensed as incurred.

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.

Uncertainties exist with respect to the application of the New EIT Law to our operations, specifically with respect to our tax residency. The New EIT Law specifies that legal entities organized outside of the PRC will be considered residents for PRC income tax purposes if their "de facto management bodies" as "establishments that carry on substantial and overall management and control over the operations, personnel, accounting, properties, etc. of the Company." Because of the uncertainties resulted from limited PRC guidance on the issue, it is uncertain whether our legal entities outside the PRC constitute residents under the New EIT Law. If one or more of our legal entities organized outside the PRC were characterized as PRC residents, the impact would adversely affect our results of operations.

Recent Accounting Pronouncements

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), which amends the existing accounting standards for revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. The Company is still evaluating the impact of this ASU and expects to adopt this ASU effective July 1, 2018.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes (ASU 2015-17), which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheet. The updated standard is effective for us beginning on January 1, 2017. The adoption of this standard did not have a significant effect on our consolidated financial statements.

On Feb. 25, 2016, the Financial Accounting Standards Board (FASB) released Accounting Standards Update No. 2016-02, Leases (Topic 842) (the Update). The new leasing standard presents dramatic changes to the balance sheets of lessees. Lessor accounting is updated to align with certain changes in the lessee model and the new revenue recognition standard. The Company does not expect the adoption of ASU No. 2016-02 to have a material impact on its financial statements.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying consolidated financial statements.

Off –Balance Sheet Arrangements

As of December 31, 2017, 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.)

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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, 2017 and 2016, 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, 2017, and the related notes (collectively referred to as the consolidated 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, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1, the Company has incurred losses since inception and has net working capital deficit at December 31, 2017. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the financial statements. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Rosenberg Rich Baker Berman & Company, P.A.

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

Somerset, NJ 08873

March 29, 2018

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2017 AND 2016

| | <u>12/31/17</u> | <u>12/31/16</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 124,739 | \$ 102,776 |
| Accounts receivable-related party | 89,427 | - |
| Accounts receivable-other | 17,914 | - |
| Costs in excess of billings | - | 30,332 |
| Prepaid expenses | 7,532 | 4,650 |
| Deposits | <u>13,526</u> | <u>19,745</u> |
| TOTAL CURRENT ASSETS | 253,138 | 157,503 |
| Fixed assets, net | <u>22,937</u> | <u>46,096</u> |
| TOTAL ASSETS | <u><u>\$ 276,075</u></u> | <u><u>\$ 203,599</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 204,707 | \$ 238,315 |
| Accrued taxes and franchise fees | 7,742 | 7,742 |
| Amount due to related parties | <u>825,107</u> | <u>455,857</u> |
| TOTAL CURRENT LIABILITIES | 1,037,556 | 701,914 |
| TOTAL LIABILITIES | <u>1,037,556</u> | <u>701,914</u> |
| COMMITMENTS AND CONTINGENIES | | |
| STOCKHOLDERS' EQUITY (DEFICIT): | | |
| Preferred stock, \$0.0001 par value, 15,000,000 shares authorized, 0 and 13,800,000 issued and outstanding | - | 1,380 |
| Common stock, \$.0001 par value, 1,000,000,000 and 500,000,000 shares authorized, 506,898,576 and 5,909,687 shares issued and outstanding, as of December 31, 2017 and 2016, respectively | 50,690 | 591 |
| Accumulated other comprehensive income (loss) | (289,398) | (73,330) |
| Additional paid-in capital | 4,604,191 | 4,202,020 |
| Accumulated deficit | <u>(5,126,964)</u> | <u>(4,628,976)</u> |
| TOTAL STOCKHOLDERS' (DEFICIT) EQUITY | (761,481) | (498,315) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u><u>\$ 276,075</u></u> | <u><u>\$ 203,599</u></u> |

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, 2017 AND 2016

| | Year Ended December 31, | |
|---|--------------------------------|----------------------------|
| | 2017 | 2016 |
| Revenues: | | |
| Service fee revenue-related party | 134,877 | - |
| Project fees | <u>\$ 113,112</u> | <u>\$ 151,443</u> |
| | 247,989 | 151,443 |
| Cost of revenues | 81,516 | 55,213 |
| Gross profit | <u>\$ 166,473</u> | <u>\$ 96,230</u> |
| Operating expenses: | | |
| Research and product development | 169,853 | 364,900 |
| Sales and marketing | - | (64,666) |
| General and administrative | <u>668,498</u> | <u>666,465</u> |
| Total operating expenses | 838,351 | 966,699 |
| Loss from operations | (671,878) | (870,469) |
| Other income (expenses): | | |
| Other income | 90 | - |
| Interest income | 4 | 2 |
| Deposit written off | (2,722) | - |
| Impairment on amount due from a related company | - | (2,072) |
| Loss on disposal of fixed assets | (131) | (8,093) |
| Foreign exchange gain (loss) | <u>176,649</u> | <u>(60,164)</u> |
| Total other income | 173,890 | (70,327) |
| Loss before taxes | (497,988) | (940,796) |
| Income tax provision | <u>-</u> | <u>-</u> |
| Net loss applicable to common shareholders | \$ (497,988) | \$ (940,796) |
| Net loss per share - basic and diluted | \$ (0.00) | \$ (0.16) |
| Weighted number of shares outstanding - | | |
| Basic and diluted | 288,060,023 | 5,909,687 |
| Comprehensive Income Loss: | | |
| Net loss | <u>\$ (497,988)</u> | <u>\$ (940,796)</u> |
| Foreign currency translation gain (loss) | <u>(216,068)</u> | <u>79,389</u> |
| Total comprehensive loss | <u>\$ (714,056)</u> | <u>\$ (861,407)</u> |

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, 2016 TO DECEMBER 31, 2017

| | Preferred Stock | | Common | | Paid-In | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Stockholders' Equity (Deficit) |
|--|-------------------|-----------------|--------------------|------------------|--------------------|---|------------------------|--------------------------------------|
| | Shares | Par Value | Shares | Par Value | Capital | | | |
| Balance December 31, 2015 | <u>13,800,000</u> | <u>\$ 1,380</u> | <u>5,909,687</u> | <u>\$ 591</u> | <u>\$4,202,020</u> | <u>\$ (152,719)</u> | <u>\$3,688,180</u> | <u>\$ 363,092</u> |
| Net loss for period | | | | | | | (940,796) | (940,796) |
| Foreign currency translation adjustment | | | | | | 79,389 | - | 79,389 |
| Balance December 31, 2016 | <u>13,800,000</u> | <u>\$ 1,380</u> | <u>5,909,687</u> | <u>\$ 591</u> | <u>\$4,202,020</u> | <u>\$ (73,330)</u> | <u>\$4,628,976</u> | <u>\$ (498,315)</u> |
| Cancellation of preferred stock | (13,800,000) | (1,380) | | | 1,380 | | | - |
| Issuance of common stock (Debt Conversion) | | | 500,988,889 | 50,099 | 400,791 | | | 450,890 |
| Net loss for period | | | | | | | (497,988) | (497,988) |
| Foreign currency translation adjustment | | | | | | (216,068) | - | (216,068) |
| Balance December 31, 2017 | <u>-</u> | <u>\$ -</u> | <u>506,898,576</u> | <u>\$ 50,690</u> | <u>\$4,604,191</u> | <u>\$ (289,398)</u> | <u>\$5,126,964</u> | <u>\$ (761,481)</u> |

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, 2017 AND 2016

| | Year Ended December 31, | |
|---|--------------------------------|--------------|
| | 2017 | 2016 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Loss | \$ (497,988) | \$ (940,796) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Depreciation | 37,209 | 37,327 |
| Provision for impairment of amount due from related party | - | 2,072 |
| Deposit written off | 2,722 | - |
| Loss on disposal of fixed asset | 131 | 8,093 |
| Foreign exchange (gain)/loss | (176,649) | 60,164 |
| Change in operating assets and liabilities: | | |
| Costs in excess of billings | 30,332 | (30,332) |
| Accounts receivable | (107,341) | - |
| Prepaid expenses | (2,882) | 21,842 |
| Security deposit and other assets | 3,497 | 9,040 |
| Accounts payable and accrued expenses | (28,228) | (141,064) |
| Accrued taxes payable and franchise fees | - | 7,492 |
| Net cash used in operating activities | \$ (739,197) | \$ (966,162) |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Acquisition of fixed assets | (14,181) | (12,795) |
| Proceeds from disposal of fixed assets | - | 113,587 |
| Net cash provided by (used in) investing activities | \$ (14,181) | \$ 100,792 |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Advance from affiliate | 814,760 | 453,785 |
| Net cash provided by financing activities | \$ 814,760 | \$ 453,785 |
| NET INCREASE/(DECREASE) IN CASH | 61,382 | (411,585) |
| Effects of exchange rates on cash | (39,419) | 19,225 |
| CASH AND CASH EQUIVALENTS at beginning of period | 102,776 | 495,136 |
| CASH AND CASH EQUIVALENTS at end of period | \$ 124,739 | \$ 102,776 |
| Supplemental disclosure of cash flow information | | |
| Cash paid for: | | |
| Interest | \$ - | \$ - |
| Income Taxes | \$ - | \$ - |
| Supplemental schedule of non-cash investing and financing activities | | |
| Conversion of shareholder loan into common stock | \$ 450,890 | \$ - |

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

HOTAPP BLOCKCHAIN INC. (FORMERLY KNOWN AS HOTAPP INTERNATIONAL, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. The Company determined it was in the best interest of the shareholders to expand its business plan. On October 15, 2014, through a sale and purchase agreement (the “Purchase Agreement”) the Company acquired all the issued and outstanding stock of HotApps International Pte Ltd (the “HIP”) from Singapore eDevelopment Limited (“SeD”). HIP owned certain intellectual property relating to instant messaging for portable devices (the “HotApp”). HotApp is a cross-platform mobile application that incorporates instant messaging and ecommerce. It provides a messaging and calling services for HotApp users (text, photo, audio). HotApp can be used on any mobile platform (i.e. IOS Online or Android).

Pursuant to the Purchase Agreement, the Company issued SeD 1,000,000 shares of common stock and 13,800,000 shares of newly created convertible preferred stock. See Note 6 for further description.

As of December 31, 2017, 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 |
| 2nd Tier Subsidiaries: | | | |
| Crypto Exchange Pte. Ltd., formerly HotApps Call Pte Ltd | September 15, 2014 | Republic of Singapore | 100% owned by HIP |
| HotApps Information Technology Co Ltd | November 10, 2014 | People’s Republic of China | 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 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 \$5,126,964 and has net working capital deficit of \$784,418 at December 31, 2017. Management has concluded that due to the conditions described above, there is substantial doubt about the entities ability to continue as a going concern through April 2, 2019. 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 2018. 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 shareholder 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 shareholders 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 and liabilities and 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 and share-based compensation.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments, which are unrestricted from withdrawal or use, or which have original maturities of three months or less when purchased.

Foreign currency risk

Because of its foreign operations, the Company holds cash in non-US dollars. As of December 31, 2017, cash and cash equivalents of the Group includes, on an as converted basis to US dollars, \$80,410, \$29,701 and \$13,237, in Hong Kong Dollars (“HK\$”), Renminbi (“RMB”) and Singapore Dollars (“S\$”), respectively.

The Renminbi (“RMB”) is not a freely convertible currency. The State Administration for Foreign Exchange, under the authority of the People’s Bank of China, controls the conversion of RMB into foreign currencies. The value of the RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market.

Concentration of credit risk

Financial instruments that potentially expose the Group to concentration of credit risk consist primarily of cash and cash equivalents. The Group places their cash with financial institutions with high-credit ratings and quality. The Group also expose to credit risk due to its concentration for customers with revenue in excess of 10%.

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 |
| Motor vehicles | 10 years |

Fair value

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Revenue recognition

The Group recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. The Company currently has \$247,989 revenue from its services rendered on projects, and plans to derive its revenue from membership subscription services, offering the platform for Enterprise Collaboration with integration. Revenue is currently recognized under contract accounting when the agreement requires significant software production, and the percentage-of-completion method is used in accordance with ASC 605-35. The Company is recognizing the percentage-of-completion based on input measures that measured directly from expenses incurred, and management reviews the progress to completion. In case of the 3% iGalen revenue sharing, the arrangement has met all of the four criteria for ASC 985-605-25-3 and revenue is recognized accordingly. Persuasive evidence of an arrangement exists as written agreement has been signed, delivery has occurred as iGalen has access to the software, the fee is determinable, and collectability is probable.

Research and development expenses

Research and development expenses primarily consist of (i) salaries and benefits for research and development personnel, and (ii) office rental, general expenses and depreciation expenses associated with the research and development activities. The Company's research and development activities primarily consist of the research and development of new features for its mobile platform and its self-developed mobile games. Expenditures incurred during the research phase are expensed as incurred.

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, 2017 or 2016, respectively.

Uncertainties exist with respect to the application of the New EIT Law to our operations, specifically with respect to our tax residency. The New EIT Law specifies that legal entities organized outside of the PRC will be considered residents for PRC income tax purposes if their "de facto management bodies" as "establishments that carry on substantial and overall management and control over the operations, personnel, accounting, properties, etc. of the Company." Because of the uncertainties that have resulted from limited PRC guidance on the issue, it is uncertain whether our legal entities outside the PRC constitute residents under the New EIT Law. If one or more of our legal entities organized outside the PRC were characterized as PRC residents, the impact would adversely affect our results of operations.

Foreign currency translation

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, 2017, the Company recorded other comprehensive loss from a translation loss of \$216,068 in the consolidated financial statements.

Operating leases

Leases where the rewards and risks of ownership of assets primarily remain with the lessor are accounted for as operating leases. Payments made under operating leases are charged to the consolidated statements of operations on a straight-line basis over the lease periods.

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 shareholders 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, 2017, no shares of preferred stock are eligible for conversion into voting common stock.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), which amends the existing accounting standards for revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. The Company is still evaluating the impact of this ASU and expects to adopt this ASU effective July 1, 2018.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes (ASU 2015-17), which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheet. The updated standard is effective for us beginning on January 1, 2017. The adoption of this standard did not have a significant effect on our consolidated financial statements.

On Feb. 25, 2016, the Financial Accounting Standards Board (FASB) released Accounting Standards Update No. 2016-02, Leases (Topic 842) (the Update). The new leasing standard presents dramatic changes to the balance sheets of lessees. Lessor accounting is updated to align with certain changes in the lessee model and the new revenue recognition standard. The Company does not expect the adoption of ASU No. 2016-02 to have a material impact on its financial statements.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying consolidated financial statements.

Note 3. FIXED ASSETS, NET

Fixed assets, net consisted of the following:

| | As of December 31, | |
|--------------------------------|---------------------------|------------------|
| | 2017 | 2016 |
| Computer equipment | \$ 76,662 | \$ 69,442 |
| Office equipment | 22,843 | 19,671 |
| Furniture and fixtures | 10,599 | 7,156 |
| | <u>\$ 110,104</u> | <u>\$ 96,269</u> |
| Less: accumulated depreciation | (87,167) | (50,173) |
| Fixed assets, net | <u>\$ 22,937</u> | <u>\$ 46,096</u> |

Depreciation expense for the years ended December 31, 2017 and 2016 was \$37,209 and 37,327, respectively.

Note 4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accrued expenses and other current liabilities consisted of the following:

| | As of December 31, | |
|---------------------------|--------------------|-------------------|
| | 2017 | 2016 |
| Accrued payroll | \$ 170,915 | \$ 180,464 |
| Accrued professional fees | 20,666 | 45,612 |
| Other | 13,126 | 12,239 |
| Total | <u>\$ 204,707</u> | <u>\$ 238,315</u> |

Note 5. INCOME TAXES

The provision for income taxes for the years ended December 31, 2017 and 2016, was as follows:

| | Year Ended December 31, | | | | | |
|---|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2017 | | | 2016 | | |
| | Domestic | Foreign | Total | Domestic | Foreign | Total |
| Loss from continuing operations, before income taxes | \$ 241,776 | \$ (739,764) | \$ (497,988) | \$ (195,199) | \$ (745,597) | \$ (940,796) |
| Income tax at statutory rate | 50,773 | (140,963) | (90,190) | (68,320) | (161,083) | (229,403) |
| Items not taxable for tax purposes | (63,173) | (483) | (63,656) | - | - | - |
| Items not deductible for tax purposes | - | 24,833 | 24,833 | 29,400 | - | 29,400 |
| Change in valuation allowance | 12,400 | 116,613 | 129,013 | 38,920 | 161,083 | 200,003 |
| Income tax expense | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Deferred income tax assets/(liabilities): | | | | | | |
| Operating loss carry forwards | 147,585 | 804,339 | 951,924 | 225,308 | 686,396 | 911,704 |
| Unrealized exchange (gain)/loss | (63,173) | 24,833 | (38,340) | 29,400 | - | 29,400 |
| Total deferred assets | <u>\$ 84,412</u> | <u>\$ 829,172</u> | <u>\$ 913,584</u> | <u>\$ 254,708</u> | <u>\$ 686,396</u> | <u>\$ 941,104</u> |
| Less: valuation allowance | <u>(84,412)</u> | <u>\$ (829,172)</u> | <u>\$ (913,584)</u> | <u>\$ (254,708)</u> | <u>\$ (686,396)</u> | <u>\$ (941,104)</u> |
| Total net deferred tax assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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. As a result, the Company’s income tax expense for the year ended December 31, 2017 includes tax expense from the re-measurement of deferred assets and liabilities totaling \$97,830.

The Company provided a valuation allowance equal to the deferred income tax assets for period ended December 31, 2017 because it is not presently known whether future taxable income will be sufficient to utilize the loss carry-forwards.

As of December 31, 2017, the Company had approximately \$4,498,407 in tax loss carry-forwards that can be utilized in future periods to reduce taxable income, and 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, 2016, 2015 and 2014 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, 2017 and 2016, the Company had issued and outstanding, 506,898,576 and 5,909,687 of common stock, respectively and 0 and 13,800,000 shares of preferred stock, respectively.

Common Shares:

On July 13, 2015, SED acquired 777,687 shares of the Company 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 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.

Preferred 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. 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 the 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. 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 runs through May 8, 2018 with monthly payments of \$2,373. The Company was required to put up a security deposit of \$4,747. For the year ended December 31, 2017, the Company recorded rent expense of \$27,500 for Guangzhou office.

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 runs through April 19, 2017 with monthly payments of \$2,559. The Company was required to put up a security deposit of \$5,118. 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 \$3,263. The Company was required to put up a security deposit of \$6,526. For the year ended December 31, 2017, the Company recorded rent expense of \$38,713 for this office.

The following is a schedule by year of future minimum lease payments under non-cancellable operating leases:

| | |
|-------|------------------|
| 2018 | \$ 19,893 |
| 2019 | - |
| Total | <u>\$ 19,893</u> |

Note 8. RELATED PARTY BALANCES AND TRANSACTIONS

As of December 31, 2017, the Company has amount due to SeD for \$819,727, plus an amount due to a director of \$5,380 and has an amount due from an affiliate for US\$2,072. The Company has made full impairment provision for the amount due from the affiliate.

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 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 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.

During the year, the Group has revenue amounting to US\$134,877 from iGalen, an affiliate by common ownership, and the account receivable as of December 31, 2017 included a trade receivable from that affiliate amounting to US\$89,427.

Note 9. SUBSEQUENT EVENT

HotApp Blockchain Inc. (the “Company”) is launching a new enterprise and expanding its activities to include the development and commercialization of Blockchain related technologies and ICO Technology Consulting in addition to the previous activities of the Company. The initial services to be offered include ICO white paper development, blockchain architecture design and smart contract design, website development and technology consulting services.

On February 1, 2018, the Company announced its plans to create two new cryptocurrency exchange platforms, one in Asia and one in the United States. Accordingly, the Company has created a new wholly-owned subsidiary, Crypto Exchange Inc., which is intended to conduct such operations. This new plan is currently in the development stage, as the Company identifies and enters into agreements with appropriate new employees, consultants and partners to assist the Company in achieving its goals. The Company intends to provide additional information to the public as such plan is further developed.

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 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, 2017. 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 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, 2017 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, 2017, we had a material weakness that relates to the relatively small number of employees 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, 2017. 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, 2017, we had a material weakness that relates to the relatively small number of employees 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, 2017 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 | 73 | Executive Chairman of the Board |
| Conn Flanigan | 49 | Director, Secretary |
| Lum Kan Fai | 55 | Vice Chairman of the Board |
| Sanjib Kalita | 45 | Director |
| Lee Wang Kei | 27 | Chief Executive Officer, Chief Technology Officer |
| Lui Wai Leung Alan | 47 | 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. On October 24, 2014, SeD nominated, and the Company appointed Mr. Conn Flanigan and Mr. Chan Heng Fai as Directors of the Company.

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 and as the Executive Chairman of the Company’s Board of Directors since December 1, 2017. Mr. Chan previously served as the Company’s Chief Executive Officer from December 31, 2014 until June 21, 2017. 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. Mr. Chan is an expert in banking and finance, with years of experience in these industries. He has also restructured 35 companies in various industries and countries in the past 40 years. Mr. Chan serves as the CEO of Singapore eDevelopment, a limited company listed on the Catalist of the Singapore Exchange Securities Trading Limited. Singapore eDevelopment is a diversified holding company. He was appointed director of Singapore eDevelopment on March 1, 2014. He is also Non-Executive Director of ASX-listed bio-technology company Holista Colltech Ltd, a position he has held since July of 2013. From September of 1992 until July of 2015, Mr. Chan also served as Managing Chairman of HKSE-listed Heng Fai Enterprises Limited, a holding company now known as ZH International Holdings, Ltd. He also served as director of Global Medical REIT Inc. (NYSE: GMRE) from December of 2013 until July of 2015 and as director of American Housing REIT Inc. from October of 2013 to July of 2015. Mr. Chan was also formerly (i) the Managing Director of SGX Catalist-listed SingHaiyi Group Ltd from November of 2003 until September of 2013, which under his leadership, transformed from a failing store-fixed business provider with net asset value of less than S\$10 million into a property trading and investment company and finally to a property development company with net asset value over S\$150 million before Mr. Chan ceded controlling interest in late 2012; (ii) the Executive Chairman of China Gas Holdings Limited, a formerly failing fashion retail company listed on SEHK which, under his direction, was restructured to become one of a few large participants in the investment in and operation of city gas pipeline infrastructure in China; (iii) a director of Global Med Technologies, Inc., a medical company listed on NASDAQ engaged in the design, development, marketing and support information for management software products for healthcare-related facilities; (iv) a director of Skywest Ltd, an ASX-listed airline company; and (v) the Chairman and Director of American Pacific Bank.

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. Flanigan has served a director of the Company since October 23, 2014 and as legal counsel and secretary since December 31, 2014.

Mr. Flanigan is a practicing attorney specializing in corporate, real estate, and securities law. Mr. Flanigan is a legal advisor to Singapore eDevelopment and has served as officer and director to several US subsidiaries of Singapore eDevelopment. Mr. Flanigan served as the Chief Executive Officer of SeD Intelligent Home Inc. from December of 2013 until December of 2017. Mr. Flanigan remains as a member of the Board of Directors of SeD Intelligent Home Inc. and certain of its subsidiaries, a position he has held since December of 2013. Mr. Flanigan served as the Secretary and General Counsel for Global Medical REIT Inc. (NYSE:GMRE) from December 2013 to May 2017. From September 4, 2013 to May 2017, Mr. Flanigan also served as General Counsel and Secretary, and as a director, of American Housing REIT Inc. Mr. Flanigan served as a member of the Board Directors of Amarantus Bioscience Holdings, Inc., a biotech company, from February 23, 2017 until May 12, 2017. From February 2000 until May 2017, Mr. Flanigan was employed as General Counsel by subsidiaries of ZH International Holdings, Ltd., including eBanker USA.com, Inc. and ZH USA, LLC. In this role, he served as General Counsel and Secretary for other ZH International Holdings, Ltd. subsidiaries. Mr. Flanigan received a B.A. in International Relations from the University of San Diego in 1990 and a Juris Doctor Degree from the University of Denver Sturm College Of Law in 1996.

Director Qualifications of Conn Flanigan:

Mr. Flanigan's service as an officer, director and employee of various entities has provided him with significant knowledge and experience regarding corporate financial and governance matters.

Mr. Lum has served as a member of the Company's Board of Directors and Chief Technology Officer ("CTO") since June 14, 2015. On June 21, 2017, the Company appointed Mr. Lum Kan Fai as the Company's CEO and President, and Mr. Lum resigned as CTO. Effective as of December 1, 2017, Mr. Lum Kan Fai voluntarily resigned as CEO and President of the Company. Mr. Lum has been appointed as Vice Chairman of the Company's Board of Directors. Mr. Lum was the founder, and since 2009 had served as Chief Executive Officer, of FUNboxx Ltd. From 2007 through 2009, Mr. Lum served as Chief Executive Officer for Vitop Ltd. From 2004 through 2007, he served as Asia-Pacific marketing director and head of the consumer products division of York International (now Johnson Controls). Prior to that, Mr. Lum held senior management positions with 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 20, 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 M.Eng. 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. Lee Wang Kei has served as the Company's CTO since June 21, 2017. Effective as of December 1, 2017, the Company appointed Mr. Lee Wang Kei ("Nathan") as the Company's CEO. Mr. Lee will continue to serve as CTO while serving as CEO. Mr. Lee has served as a System Architect for the Company since August of 2015, where he has helped lead the Company's software development, and from April of 2015 to July of 2015, Mr. Lee served as a Consultant to the Company. Prior to joining the Company, Mr. Lee served as Software Project Manager for Appcraft Asia from 2014-2015 and served as Software Architect for myFunboxx from 2012-2014.

At the present time, Mr. Lee has an employment agreement with the Company's subsidiary HotApp International Limited in Hong Kong, but has no employment agreement with the Company. Pursuant to his current agreement, Mr. Lee is presently paid HK\$25,000 (approximately U.S. \$3,200) per month and is eligible for a bonus based on performance.

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 shareholder, since November 1, 2016 and served as its Acting Chief Financial Officer since June 22, 2016 until November 1, 2016. From 1997 through 2016, Mr. Lui served in various executive roles, including 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. He also managed all financial forecasts and planning. Mr. Lui is a certified CPA 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 shareholder, 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.

Possible Potential Conflicts

The OTC-QB on which we plan to have our shares of common stock quoted does not currently have any director independence requirements.

Some members of our management do not work for the Company on a full-time basis. Accordingly, 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.

Currently we have a dedicated Chief Technology Officer and Executive Director, and 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:

- has 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;
- 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 2017 and 2016

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, 2017 and December 31, 2016.

| Name and Principal Position | Fiscal Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | All Other Compensation (\$) | Total (\$) |
|--|-------------|-------------|------------|-------------------|-----------------------------|------------|
| Chan Heng Fai, Executive Chairman | | | | | | |
| (on June 21, 2017 resigned as CEO and President, and from December 1, 2017 appointed as Executive Chairman) | 2017 | -- | -- | -- | -- | -- |
| Conn Flanigan, Director, Secretary | 2017 | -- | -- | -- | -- | -- |
| Lum Kan Fai, Director, Vice Chairman | | | | | | |
| (from June 21,2017 appointed as CEO & President and resigned as CTO, and from December 1, 2017 appointed as Vice Chairman and resigned as CEO & President) | 2017 | 96,219 | -- | -- | 2,117 | 98,336 |
| Lee Wang Kei, CEO, CTO | | | | | | |
| (from June 21, 2017 appointed as CTO, and from December 1, 2017 appointed as CEO) | 2017 | 3,688 | | | 184 | 3,872 |
| Lui Wai Leung Alan, CFO | 2017 | -- | -- | -- | -- | -- |

| Name and Principal Position | Fiscal Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | All Other Compensation (\$) | Total (\$) |
|--|-------------|-------------|------------|-------------------|-----------------------------|------------|
| Chan Heng Fai, Chairman, CEO & President | 2016 | -- | -- | -- | -- | -- |
| Conn Flanigan, Director, Secretary | 2016 | -- | -- | -- | -- | -- |
| Lum Kan Fai, Director, CTO (from June 16, 2015) | 2016 | 112,842 | -- | -- | -- | 112,842 |
| Chew Sien Lup, CFO (from June 16, 2015 until May 12, 2016) | 2016 | -- | -- | -- | -- | -- |
| Lui Wai Leung Alan, CFO (from May 12, 2016) | 2016 | -- | -- | -- | -- | -- |

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. We do not currently have a stock option plan, non-equity incentive plan or pension plan.

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 April 2, 2018 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 April 2, 2018, 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) | 506,790,576 | 99.979% |
| Officers and Directors | | |
| Chan Heng Fai (3) | 506,790,576 | 99.979% |
| Conn Flanigan | 0 | 0% |
| 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 shareholder 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 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 shareholder of SeD. Conn Flanigan, another member of the Company’s board of directors, 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 December 31, 2014, the Company owed Singapore eDevelopment Limited (SeD), its majority shareholder, \$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”) that covered \$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 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 shareholder and the Company’s Executive Director and CEO. HotApp International Pte Ltd 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 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 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.

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, | |
|--------------|-------------------------|------------------|
| | 2017 | 2016 |
| Audit Fees | \$ 37,500 | \$ 54,004 |
| Tax Fees | 3,500 | 3,500 |
| Total | \$ 41,000 | \$ 57,504 |

PART IV

Item 15. Exhibits, Financial Statement Schedules

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

Consolidated Balance Sheets as of December 31, 2017 and 2016
Consolidated Statements of Operations and Comprehensive Loss for the Years Ended December 31, 2017 and 2016
Consolidated Statements of Stockholder Equity (Deficit) for the Period January 1, 2016 to December 31, 2017
Consolidated Statements of Cash Flows for the Years Ended December 31, 2017 and 2016

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

None

- (a) Exhibits
(3)

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. |
| 3.2 | Bylaws (incorporated herein by reference to Exhibit 3.2 to the Company’s Registration Statement on Form S-1 filed on March 21, 2014). |
| 3.2.1 * | Amended Bylaws. |
| 10.6 | Loan Conversion Agreement dated July 13, 2015, by and between the Company and Singapore eDevelopment Limited (incorporated herein by reference to Exhibit 10.6 to the Company’s Current Report on Form 8-K filed on July 16, 2015). |
| 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). |
| 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.

Date: April 2, 2018

HOTAPP BLOCKCHAIN INC.

By: /s/ Lee Wang Kei

Lee Wang Kei

Chief Executive Officer

(Principal Executive Officer)

Date: April 2, 2018

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/ Lee Wang Kei Lee Wang Kei | Chief Executive Officer (Principal Executive Officer) | April 2, 2018 |
| /s/ Lui Wai Leung, Alan Lui Wai Leung, Alan | Chief Financial Officer (Principal Financial and Accounting Officer) | April 2, 2018 |
| /s/ Chan Heng Fai Chan Heng Fai | Executive Chairman of the Board | April 2, 2018 |
| /s/ Lum Kan Fai Lum Kan Fai | Vice Chairman of the Board | April 2, 2018 |
| /s/ Conn Flanigan Conn Flanigan | Secretary and Director | April 2, 2018 |
| /s/ Sanjib Kalita Sanjib Kalita | Director | April 2, 2018 |