

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2018

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input checked="" type="checkbox"/>

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

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

Indicate the number of shares outstanding of each the registrant's classes of common stock, as of the latest practicable date. As of **May 15, 2018**, there were 506,898,576 shares outstanding of the registrant's common stock \$0.0001 par value.

Throughout this Report on Form 10-Q, 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. 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 quarterly 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 FINANCIAL INFORMATION

ITEM 1. INTERIM FINANCIAL STATEMENTS

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

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2018 (UNAUDITED) AND DECEMBER 31, 2017

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 74,720	\$ 124,739
Accounts receivable-related parties	112,427	89,427
Accounts receivable-other	-	17,914
Prepaid expenses	4,958	7,532
Deposit and other receivable	13,685	13,526
TOTAL CURRENT ASSETS	<u>205,790</u>	<u>253,138</u>
Fixed assets, net	16,824	22,937
TOTAL ASSETS	<u><u>\$ 222,614</u></u>	<u><u>\$ 276,075</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 198,755	\$ 204,707
Accrued taxes and franchise fees	7,742	7,742
Amount due to related parties	907,695	825,107
TOTAL CURRENT LIABILITIES	<u>1,114,192</u>	<u>1,037,556</u>
TOTAL LIABILITIES	<u><u>1,114,192</u></u>	<u><u>1,037,556</u></u>
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred stock, \$0.0001 par value, 15,000,000 shares authorized, 0 issued and outstanding as of March 31, 2018 and December 31, 2017	-	-
Common stock, \$0.0001 par value, 1,000,000,000 shares authorized, 506,898,576 shares issued and outstanding, as of March 31, 2018 and December 31, 2017	50,690	50,690
Accumulated other comprehensive loss	(348,850)	(289,398)
Additional paid-in capital	4,604,191	4,604,191
Accumulated deficit	(5,197,609)	(5,126,964)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	<u>(891,578)</u>	<u>(761,481)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 222,614</u></u>	<u><u>\$ 276,075</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.)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017 (UNAUDITED)

	<u>Three Months Ended March 31, 2018</u>	<u>Three Months Ended March 31, 2017</u>
Revenues:		
Project fee-related parties	\$ 23,046	\$ 32,272
Project fee-others	4,623	33,906
	<u>27,669</u>	<u>66,178</u>
Cost of revenues	14,404	14,105
	<u>\$ 13,265</u>	<u>\$ 52,073</u>
Gross profit		
Operating expenses:		
Research and product development	\$ -	\$ 52,662
Deposits written off	-	2,663
Depreciation	8,684	8,636
General and administrative	114,737	187,502
Total operating expenses	<u>123,421</u>	<u>251,463</u>
(Loss) from operations	(110,156)	(199,390)
Other income:		
Interest income	1	-
Other sundry income	205	-
Foreign exchange gain	39,305	65,572
Total other income	<u>39,511</u>	<u>65,572</u>
Loss before taxes	(70,645)	(133,818)
Income tax provision	-	-
Net loss applicable to common shareholders	<u>\$ (70,645)</u>	<u>\$ (133,818)</u>
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.02)
Weighted number of shares outstanding - Basic and diluted	506,898,576	5,909,687
Comprehensive Income Loss:		
Net loss	\$ (70,645)	\$ (133,818)
Foreign currency translation gain (loss)	(59,452)	(84,004)
Total comprehensive loss	<u>\$ (130,097)</u>	<u>\$ (217,822)</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.)**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017 (UNAUDITED)**

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (70,645)	\$ (133,818)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	8,684	8,636
Deposit written off	-	2,663
Foreign exchange transaction gain	(39,305)	(65,572)
Change in operating assets and liabilities:		
Accounts receivable	(5,086)	(66,033)
Security deposit and other receivable	(159)	(6,796)
Prepaid expenses	2,574	(13,449)
Accounts payable and accrued expenses	(5,853)	(18,239)
Net cash used in operating activities	\$ (109,790)	\$ (292,608)
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of fixed asset	(2,571)	(3,898)
Net cash used in investing activities	\$ (2,571)	\$ (3,898)
CASH FLOW FROM FINANCING ACTIVITIES:		
Advance from related parties	82,489	310,307
Net cash provided by financing activities	\$ 82,489	\$ 310,307
NET (DECREASE)/INCREASE IN CASH	(29,872)	13,801
Effects of exchange rates on cash	(20,147)	(18,432)
CASH AND CASH EQUIVALENTS at beginning of period	124,739	102,776
CASH AND CASH EQUIVALENTS at end of period	\$ 74,720	\$ 98,145

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. The Company History and Nature of the Business

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). Started from a cross platform mobile application that incorporate messaging and eCommerce, HotApp has evolved as a platform Service provider with application framework serving vertical industry such as multilevel Marketing. The messaging and calling services has been terminated in 2017. HotApp can be used on any mobile platform (i.e. IOS Online or Android). On January 1, 2018, the Company’s new subsidiary, Crypto Exchange Inc., issued 1,000 shares of its common stock to the Company.

As of March 31, 2018, details of the Company’s subsidiaries are as follows:

<u>Subsidiaries</u>	<u>Date of Incorporation</u>	<u>Place of Incorporation</u>	<u>Percentage of Ownership</u>
1st Tier Subsidiary:			
HotApps International Pte Ltd (“HIP”)	May 23, 2014	Republic of Singapore	100% by Company
Crypto Exchange Inc.	December 15, 2017	State of Nevada, the United States of America	100% by Company
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.

These 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 \$5,197,609 and has net working capital deficit of \$908,402 at March 31, 2018. 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 May 15, 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 operation through 2018. Our ability to continue as a going concern is dependent upon achieving sales growth, the management of operating expenses and the 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 accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). These condensed consolidated financial statements should be read in conjunction with the financial statements and additional information as contained in our Annual Report on Form 10-K for the year ended December 31, 2017. Results of operations for the three month periods ended March 31, 2018 are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2018. The other information in these condensed consolidated financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise.

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

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of March 31, 2018 and December 31, 2017.

Foreign currency risk

Because of its foreign operations, the Company holds cash in non-US dollars. As of March 31, 2018, cash and cash equivalents of the Group includes, on an as converted basis to US dollars \$53,694, \$7,047 and \$12,738 in Hong Kong Dollars (“HK\$”), Reminbi (“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. Although the cash at each particular bank in the United States is insured up to \$250,000 by Federal Deposit Insurance Corporation (FDIC), the Group exposes to credit risk due to its concentration of cash in foreign countries. The Group places their cash with financial institutions with high-credit ratings and quality. The Group also exposes 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

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

Revenue recognition

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

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

Disaggregation of Revenue

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

Segments	Provision of Services	Software Development	Total
Primary Geographical Markets			
North America	\$ 23,046	\$ -	\$ 23,046
Asia	-	4,623	4,623
	<u>\$ 23,046</u>	<u>\$ 4,623</u>	<u>\$ 27,669</u>
Timing of Revenue Recognition			
Goods transferred at a point in time	\$ -	\$ 4,623	\$ 4,623
Services transferred over time	23,046	-	23,046
	<u>\$ 23,046</u>	<u>\$ 4,623</u>	<u>\$ 27,669</u>

Contract assets and contract liabilities

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

Remaining performance obligations

As of March 31, 2018, the aggregate amount of the transaction price allocated to the remaining performance obligation is \$3,092, and the Group will recognize this revenue as the software development is completed, which is expected to occur over the next 3 months.

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 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 three months ended March 31, 2018, the Company recorded other comprehensive loss from translation loss of \$59,452 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 March 31, 2018, no shares of preferred stock are eligible for conversion into voting common stock.

Recent accounting pronouncements not yet adopted

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.

Note 3. FIXED ASSETS, NET

Fixed assets, net consisted of the following:

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Computer equipment	\$ 78,277	\$ 76,662
Office equipment	23,637	22,843
Furniture and fixtures	10,761	10,599
	<u>\$ 112,675</u>	<u>\$ 110,104</u>
Less: accumulated depreciation	(95,851)	(87,167)
Fixed assets, net	<u>\$ 16,824</u>	<u>\$ 22,937</u>

Depreciation expenses charged to the consolidated statements of operations for the three months ended March 31, 2018 and 2017 were \$8,684 and \$8,636, respectively.

Note 4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accrued expenses and other current liabilities consisted of the following:

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Accrued payroll & benefits	\$ 177,633	\$ 170,915
Accrued professional fees	17,568	20,666
Other	3,554	13,126
Total	<u>\$ 198,755</u>	<u>\$ 204,707</u>

Note 5. 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 March 31, 2018 and December 31, 2017, the Company had issued and outstanding, 506,898,576 of common stock, and 0 shares of preferred stock.

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 6. 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 \$2,451. The Company was required to put up a security deposit of \$4,918. For the three months ended March 31, 2018, the Company recorded rent expense of \$7,353 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 \$2,574. The Company was required to put up a security deposit of \$5,147. 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 \$3,256. The Company was required to put up a security deposit of \$6,499. For the three months ended March 31, 2018, the Company recorded rent expense of \$9,768 for the office.

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

2018	\$ 6,340
2019	-
Total	<u>\$ 6,340</u>

Note 7. RELATED PARTY BALANCES AND TRANSACTIONS

On March 1, 2018, the Company's subsidiary HotApp International Ltd. entered into an Outsource Technology Development Agreement (the "Agreement") with a related party, which may be terminated by either party on 30-days' notice. Under this agreement, the related party agreed to pay a monthly fee for access to HotApp International Ltd.'s software programmers.

As of March 31, 2018, the Company has amount due to SeD for \$902,216, plus an amount due to a director of \$5,479 and has an amount due from an affiliate for \$2,285. The Company has made full impairment provision for the amount due from the affiliate.

The account receivable as of March 31, 2018 included a trade receivable from an affiliate by common ownership amounting to \$89,427 resulting from the revenue earned from that affiliate during the year 2017, and a trade receivable of \$23,000 from a related party resulting from the revenue earned in 2018.

Note 8. SUBSEQUENT EVENT

The Company has evaluated subsequent events through the date that the financials were issued.

ITEM 2. 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 Form 10-Q 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 Form 10-Q. 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 Form 10-Q, 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). Started from a cross platform mobile application that incorporate messaging and eCommerce, HotApp has evolved as a platform Service provider with application framework serving vertical industry such as multilevel Marketing. The messaging and calling services has been terminated in 2017. HotApp can be used on any mobile platform (i.e. IOS Online or Android). On 1 January 2018, the Company's new subsidiary, Crypto Exchange Inc., has issued 1,000 shares of its common stock to the Company.

As of March 31, 2018, details of the Company's subsidiaries are as follows:

Subsidiaries	Date of Incorporation	Place of Incorporation	Percentage of Ownership
1st Tier Subsidiary:			
HotApps International Pte Ltd ("HIP")	May 23, 2014	Republic of Singapore	100% by Company
Crypto Exchange Inc.	December 15, 2017	State of Nevada, the United States of America	100% by Company
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 and eCommerce. 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), 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.

Results of Operations

Summary of Key Results

For the unaudited three months period ending March 31, 2018 and 2017

Revenue

Revenue consist primarily of the service rendered on projects which require significant software production. Total revenue for the three months ended March 31, 2018 and 2017 were \$27,669 and \$66,178, including \$23,046 and \$32,272 from related parties respectively.

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 three months ended March 31, 2018 and 2017 were \$14,404 and \$14,105, 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. We expect our research and development expenses to maintain with moderate changes in line with business activities. Total research and development for the quarters ended March 31, 2018 and 2017 were \$0 and \$52,662, respectively. The decrease was a result from the streamlining and restructuring of Company.

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 quarters ended March 31, 2018 and 2017 were \$123,421 and \$196,138, respectively.

Other Expense / Income

In the quarters ended March 31, 2018 and 2017, we have incurred \$39,305 and \$65,572 in foreign exchange gain, \$0 and \$2,663 for the deposits written off, \$1 and \$0 interest income and \$205 and \$0 in other sundry income.

Liquidity and Capital Resources

At March 31, 2018, we had cash of \$74,720 and working capital deficit of \$908,402. Cash had decreased during the three months ended March 31, 2018 primarily due to operating losses incurred during the quarter.

We had a total stockholders' deficit of \$891,578 and an accumulated deficit of \$5,197,609 as of March 31, 2018 compared with a total stockholders' deficit of \$761,481 and an accumulated deficit of \$5,126,964 as of December 31, 2017. This difference is primarily due to the net loss incurred during the quarter.

For the three months ended March 31, 2018, we recorded a net loss of \$70,645.

We had net cash used in operating activities of \$109,790 for the three months ended March 31, 2018. We had a negative change of \$5,086 due to accounts receivable, a negative change of \$159 due to security deposit and other receivables, and a positive change of \$2,574 due to prepaid expenses. We had a negative change of \$5,853 due to accounts payable and accrued expenses.

For the three months ended March 31, 2017, we recorded a net loss of \$133,818.

We had net cash used in operating activities of \$292,608 for the three months ended March 31, 2017. We had a negative change of \$66,033 due to costs in excess of billings and account receivable, a negative change of \$6,796 due to security deposit and other receivables, and a negative change of \$13,449 due to prepaid expenses. We had a negative change of \$18,239 due to accounts payable and accrued expenses.

For the three months ended March 31, 2018, we spent \$2,571 on the acquisition of fixed assets, resulting in net cash used in investing activities of \$2,571 for the period.

For the three months ended March 31, 2017, we spent \$3,898 on the acquisition of fixed assets, resulting in net cash used in investing activities of \$3,898 for the period.

For the three months ended March 31, 2018, we had net cash provided by financial activities of \$82,489 due to advances from an affiliate.

For the three months ended March 31, 2017, we had net cash provided by financial activities of \$310,307 due to advances from an affiliate.

As of March 31, 2018, we have fixed operating office lease agreements for Guangzhou's office amounting to \$3,084 in 2018, Hong Kong's office minimum lease commitments of \$3,256 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 party) 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 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 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 corporation as of the time it is authorized, approved or ratified by the board. We will conduct an appropriate review of all related party transactions on an ongoing basis.

Critical Accounting Policies

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

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

Revenue recognition

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

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

Disaggregation of Revenue

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

Segments	Provision of Services	Software Development	Total
Primary Geographical Markets			
North America	\$ 23,046	\$ -	\$ 23,046
Asia	-	4,623	4,623
	\$ 23,046	\$ 4,623	\$ 27,669
Timing of Revenue Recognition			
Goods transferred at a point in time	\$ -	\$ 4,623	\$ 4,623
Services transferred over time	23,046	-	23,046
	\$ 23,046	\$ 4,623	\$ 27,669

Contract assets and contract liabilities

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

Remaining performance obligations

As of March 31, 2018, the aggregate amount of the transaction price allocated to the remaining performance obligation is \$3,092, and the Group will recognize this revenue as the software development is completed, which is expected to occur over the next 3 months.

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 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of SEC Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for the Company.

(a) Evaluation of Disclosure Controls and Procedures

Based on the evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SECs") rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in the Company's Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not a party to any legal proceedings. Management is not aware of any legal proceedings proposed to be initiated against us. However, from time to time, we may become subject to claims and litigation generally associated with any business venture operating in the ordinary course.

ITEM 1A. RISK FACTORS

Not applicable to a “smaller reporting company” as defined in Item 10(f)(1) of SEC Regulation S-K

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Outsource Technology Development Agreement

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

ITEM 6. EXHIBITS

The following exhibits filed with this Form 10-Q Quarterly Report:

<u>Exhibit Number</u>	<u>Description</u>
<u>10.1</u>	Outsource Technology Development Agreement, by and between Document Security Systems, Inc. and HotApp International Ltd., dated as of March 1, 2018.
<u>31.1</u>	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>31.2</u>	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32.1</u>	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase

SIGNATURES

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

HOTAPP BLOCKCHAIN INC.

Date: May 15, 2018

By: /s/ Lee Wang Kei

Lee Wang Kei
Chief Executive Officer

Date: May 15, 2018

By: /s/ Lui Wai Leung, Alan

Lui Wai Leung, Alan
Chief Financial Officer