

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: September 30, 2018

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

For the transition period from _____ to _____

Commission File Number: 333-205835

IWEB, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Nevada

(State or other jurisdiction of incorporation or organization)

83-0549737

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

**121/34, RS Tower, 8th Floor
Ratchadaphisek Road, Din Daeng Sub-district, din Daeng District,
Bangkok, Thailand**

(Address of principal executive offices, Zip Code)

+662-248-2436

(Registrant's telephone number, including area code)

None

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

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

The number of shares outstanding of each of the issuer's classes of common stock, as of November 9, 2018 is as follows:

Class of Securities	Shares Outstanding
Common Stock, \$0.0001 par value	40,197,751

IWEB, Inc.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

IWEB, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2018 AND DECEMBER 31, 2017 (Unaudited)
(In U.S. dollars)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 942,188	\$ 60,716
Prepayments and deposits	818,436	982,523
Other receivables	6,291	5,365
Amounts due from shareholders	21,250	21,250
Total current assets	<u>1,788,165</u>	<u>1,069,854</u>
NON-CURRENT ASSETS		
Property, plant and equipment, net	<u>10,714</u>	<u>12,777</u>
TOTAL ASSETS	<u>\$ 1,798,879</u>	<u>\$ 1,082,631</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accruals	\$ 15,937	\$ 44,922
Amounts due to directors	162,298	345,099
Amount due to a related company	-	1,000,000
Total current liabilities	<u>178,235</u>	<u>1,390,021</u>
TOTAL LIABILITIES	<u>178,235</u>	<u>1,390,021</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock: \$0.0001 par value, 25,000,000 shares authorized, none issued and outstanding	-	-
Common stock, par value \$0.0001 per share; 75,000,000 shares authorized, 40,197,751 shares issued and outstanding as of September 30, 2018, 37,697,750 as of December 31, 2017*	7,790	7,540
Additional paid-in capital	2,756,687	256,937
Accumulated deficit	(1,136,085)	(564,332)
Accumulated other comprehensive loss	(7,748)	(7,535)
Total stockholders' equity (deficit)	<u>1,620,644</u>	<u>(307,390)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 1,798,879</u>	<u>\$ 1,082,631</u>

*Reflects a 1-for-2 reverse stock split effective on March 13, 2018.

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

IWEB, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017 (Unaudited)
(In U.S. dollars)

	<u>For the three months Ended</u>		<u>For the nine months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue	\$ 13,976	\$ 125,127	\$ 30,342	\$ 125,127
Cost of revenue	(1,980)	(18,919)	(5,226)	(18,919)
Gross profit	11,996	106,208	25,116	106,208
General and administrative expenses	(149,170)	(172,503)	(613,183)	(451,491)
Loss from operations	(137,174)	(66,295)	(588,067)	(345,283)
Other income	25,947	886	16,314	1,133
Loss before income tax	(111,227)	(65,409)	(571,753)	(344,150)
Income tax benefits	-	(19,403)	-	-
Net loss	\$ (111,227)	\$ (84,812)	\$ (571,753)	\$ (344,150)
Other comprehensive loss				
Foreign currency translation adjustment	(11,759)	(679)	(213)	(4,720)
Total comprehensive loss	\$ (122,986)	\$ (85,491)	\$ (571,966)	\$ (348,870)
Loss per share - Basic and diluted*	\$ -	\$ -	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding				
Basic and diluted*	40,197,751	37,500,000	38,866,249	31,731,374

*Reflects a 1-for-2 reverse stock split effective on March 13, 2018.

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

IWEB, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017 (Unaudited)
(In U.S. dollars)

	For the nine months ended September 30,	
	2018	2017
Cash flows from operating activities		
Net loss	\$ (571,753)	\$ (344,150)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	2,173	902
Foreign exchange	(7,815)	-
Prepayments and deposits	172,566	(882,873)
Amounts due from shareholders	-	(21,250)
Amount due to a related company	(1,000,000)	975,143
Other receivables	(888)	(589)
Accruals	(29,015)	89,811
Net cash used in operating activities	(1,434,732)	(183,006)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(9,475)
Net cash used in investing activities	-	(9,475)
Cash flows from financing activities		
Capital contribution from shareholders of VIE	-	50,000
Advance from directors	316,128	167,656
Repayment to directors	(500,000)	-
Proceed from issue of shares	2,500,000	-
Net cash provided by financing activities	2,316,128	217,656
Effect of exchange rates on cash	76	669
Net increase in cash and cash equivalents	881,472	25,844
Cash and cash equivalents at beginning of period	60,716	586
Cash and cash equivalents at end of period	\$ 942,188	\$ 26,430
Supplemental of cash flow information		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

IWEB, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Unaudited)

NOTE 1 – ORGANIZATION AND BUSINESS

IWEB, Inc. (the “Company”) was incorporated under the laws of the State of Nevada on February 17, 2015.

The Company’s original business plan was to actively engage in providing high impact internet marketing strategies to internet based businesses and people seeking to create websites, but this business was not successful. On December 12, 2016, 24,997,500 shares of the common stock of the Company, representing 97.08% of the Company’s issued and outstanding shares of common stock at that time, were sold by Dmitriy Kolyvayko in a private transaction to Mr. Wai Hok Fung (the “Transaction”) for an aggregate purchase price of \$380,000. In connection with the Transaction, Mr. Kolyvayko released the Company from certain liabilities and obligations arising out of his service as a director and officer of the Company.

On January 5, 2017, the Company’s Board of Directors approved an amendment to the Company’s Bylaws to change the Company’s fiscal year end from September 30 to December 31, effective as of December 31, 2016.

On May 15, 2017, the Company entered into a share exchange agreement (the “Share Exchange Agreement”) with Enigma Technology International Corporation (“Enigma BVI”), and all the shareholders of Enigma BVI, namely, Mr. Ratanaphon Wongnapachant, Ms. Chanikarn Lertchawalitanon and S-Mark Co. Ltd. (collectively the “Shareholders”), to acquire all the issued and outstanding capital stock of Enigma BVI in exchange for the issuance to the Shareholders of an aggregate of 31,500,000 restricted shares of IWEB, Inc.’s common stock (the “Reverse Merger”). The Reverse Merger closed on May 15, 2017. As a result of the Reverse Merger, Enigma BVI is a wholly-owned subsidiary of the Company.

Enigma BVI was incorporated on February 22, 2017 in the British Virgin Islands. In September 2018, the Company incorporated Marvelous ERA Limited in the British Virgin Islands as a wholly-owned subsidiary (“Marvelous ERA”). Marvelous ERA is the 70% majority owner of One Belt One Network Holdings Limited, a British Virgin Islands company (“OBON”) which was incorporated in October 2018. OBON is the sole parent of One Belt One Network (HK) Limited, a company organized under the laws of Hong Kong SAR in October 2018. These companies currently have minimal operations.

Digiwork (Thailand) Co., Ltd. (“Digiwork”) was established and incorporated in Thailand on November 24, 2016. The authorized capital of the Digiwork is THB5,000,000 (approximately \$151,332), divided into 500,000 common shares with a par value of THB10 per share, which has been fully paid up as of December 31, 2016.

On May 15, 2017, Enigma BVI, Digiwork and the shareholders of Digiwork entered into the following commercial arrangements, or collectively, “VIE Agreements,” pursuant to which Enigma BVI has contractual rights to control and operate the businesses of Digiwork.

Pursuant to an Exclusive Technology Consulting and Service Agreement, Enigma BVI agreed to act as the exclusive consultant of Digiwork and provide technology consulting and services to Digiwork. In exchange, Digiwork agreed to pay Enigma BVI a technology consulting and service fee, the amount of which is decided by Enigma BVI on the basis of the work performed and commercial value of the services and the fee amount to be equivalent to the amount of net profit before tax of Digiwork on a quarterly basis; provided that the minimum amount of which is no less than THB30,000 (approximately \$908) per quarter. Without the prior written consent of Enigma BVI, Digiwork may not accept the same or similar technology consulting and services provided by any third party during the term of the agreement. All the benefits and interests generated from the agreement, including but not limited to intellectual property rights, know-how and trade secrets, will be Enigma BVI’s sole and exclusive property. The term of this agreement will expire on May 15, 2027 and may be extended unilaterally by Enigma BVI with Enigma BVI’s written confirmation prior to the expiration date. Digiwork cannot terminate the agreement early unless Enigma BVI commits fraud, gross negligence or illegal acts, or becomes bankrupt or winds up.

Pursuant to an Exclusive Purchase Option Agreement, the shareholders of Digiwork granted to Enigma BVI and any party designated by Enigma BVI the exclusive right to purchase at any time during the term of this agreement all or part of the equity interests in Digiwork, or the “Equity Interests,” at a purchase price equal to the registered capital paid by the shareholders of Digiwork for the Equity Interests, or, in the event that applicable law requires an appraisal of the Equity Interests, the lowest price permitted under applicable law; Pursuant to powers of attorney executed by each of the shareholders of Digiwork, such shareholders irrevocably authorized any person appointed by Enigma BVI to exercise all shareholder rights, including but not limited to voting on their behalf on all matters requiring approval of Digiwork’s shareholders, disposing of all or part of the shareholder’s equity interest in Digiwork, and electing, appointing or removing directors and executive officers. The person designated by Enigma BVI is entitled to dispose of dividends and profits on the equity interest without reliance of any oral or written instructions of the shareholder. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Digiwork. Each shareholder has waived all the rights which have been authorized to Enigma BVI’s designated person under each power of attorney.

Pursuant to equity pledge agreements, each of the shareholders of Digiwork pledged all of the Equity Interests to Enigma BVI to secure the full and complete performance of the obligations and liabilities on the part of Digiwork and each of its shareholders under this and the above contractual arrangements. If Digiwork or the shareholders of Digiwork breach their contractual obligations under these agreements, then Enigma BVI, as pledgee, will have the right to dispose of the pledged equity interests. The shareholders of Digiwork agree that, during the term of the equity pledge agreements, they will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests, and they also agree that Enigma BVI's rights relating to the equity pledge should not be prejudiced by the legal actions of the shareholders, their successors or their designees. During the term of the equity pledge, Enigma BVI has the right to receive all of the dividends and profits distributed on the pledged equity. The equity pledge agreements will terminate on the second anniversary of the date when Digiwork and the shareholders of Digiwork have completed all their obligations under the contractual agreements described above.

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

Digiwork was set up pursuant to a joint business agreement among its shareholders on August 4, 2016 and as amended and restated on March 31, 2017 ("JBA"). Pursuant to the JBA, Digiwork is obligated to pay a total of \$10,000,000 to a shareholder of Digiwork, Digiwork Co., Ltd. ("Digiwork Korea"). As consideration for such payments, Digiwork Korea agreed to provide research and development services to Digiwork for a period of five years commencing on March 31, 2017. On December 31, 2016, an initial payment of \$100,000 was paid to Digiwork Korea.

On July 10, 2017, the parties to the JBA entered into an amendment to the Amended and Restated Joint Business Agreement which amended the total payment from \$10,000,000 to \$1,100,000. The final payment of \$1,000,000 was due on August 31, 2017. In May 2018, the final payment of \$1,000,000 was paid to Digiwork Korea.

Digiwork Korea also agreed to grant Digiwork full and exclusive licenses of any new launches, developments, improvements and any other intellectual property rights of coding technology so developed by Digiwork Korea. The territories for such licenses are in Thailand, Vietnam, Myanmar, Laos, Cambodia, United Arab Emirates and Qatar.

Digiwork was authorized by Digiwork Korea to be an official licensee and distributor of its technology exclusively in Thailand, Vietnam, Myanmar, Laos, Cambodia, United Arab Emirates and Qatar, and the authorization covers all four categories of Digiwork Korea's coding technology: image, audio, web and security coding. This technology enables governments and enterprises around the world to give digital identities to media and objects that computers can sense and recognize, and to which they can react. Digiwork is a technology development and services provider specializing in coding services in various industries and markets.

In the first quarter of 2017, Digiwork signed two service contracts with two unrelated entities for coding services. Both service contracts were completed as of September 30, 2017. In the nine months ended September 30, 2018, Digiwork signed program upgrading contracts with its customers, and these contracts were completed as of September 30, 2018.

On March 7, 2018, the Company filed a Certificate of Change with the State of Nevada (the "Certificate") to effect a 1-for-2 reverse stock split of the Company's authorized shares of common stock, par value \$0.0001 (the "Common Stock"), accompanied by a corresponding decrease in the Company's issued and outstanding shares of Common Stock (the "Reverse Stock Split") such that, following the consummation of the Reverse Stock Split, the number of authorized shares of Common Stock was reduced from 150,000,000 to 75,000,000. The Reverse Stock Split became effective on March 13, 2018.

All references to share and per share data of IWEB, Inc. in these financial statements have been adjusted to give effect of the 1-for-2 reverse stock split by the Company effective on March 13, 2018.

Organization and reorganization

Enigma BVI was incorporated on February 22, 2017 in the British Virgin Islands with limited liability as an investment holding company. Upon incorporation, Enigma BVI issued 50,000 shares at \$1 each. Prior to the reorganization, Enigma BVI was owned 57.5% by Mr. Ratanaphon Wongnapachant, 2.5% by Ms. Chanikarn Lertchawalitanon, and 40% by S-Mark Co. Ltd., a KOSDAQ-listed corporation and 100% shareholder of Digiwork Korea.

Digiwork (Thailand) Co. Ltd was incorporated in Thailand with limited liability on November 24, 2016. Digiwork was also owned 57.5% by Mr. Ratanaphon Wongnapachant, 2.5% by Ms. Chanikarn Lertchawalitanon, and 40% by S-Mark Co. Ltd.

On May 15, 2017, Enigma BVI, Digiwork and the shareholders of Digiwork entered into the abovementioned VIE Agreements, pursuant to which Enigma BVI has contractual rights to control and operate the businesses of Digiwork. The change in control of and the acquisition of Digiwork by Enigma BVI have been accounted for as common control transaction in a manner similar to a pooling of interests and there was no recognition of any goodwill or excess of the acquirers' interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combinations. Therefore, this transaction was recorded at historical cost with a reclassification of equity from retained profits to additional paid in capital to reflect the deemed value of consideration given in the local jurisdiction and the capital structure of Enigma BVI.

On May 15, 2017, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Enigma Technology International Corporation ("Enigma BVI"), and all the shareholders of Enigma BVI, namely, Mr. Ratanaphon Wongnapachant, Ms. Chanikarn Lertchawalitanon and S-Mark Co. Ltd. (collectively the "Shareholders"), to acquire all the issued and outstanding capital stock of Enigma BVI in exchange for the issuance to the Shareholders of an aggregate of 31,500,000 restricted shares of IWEB, Inc.'s common stock (the "Reverse Merger"). The Reverse Merger closed on May 15, 2017. As a result of the Reverse Merger, Enigma BVI is a wholly-owned subsidiary of the Company.

On May 15, 2017, the Company filed a Current Report on Form 8-K with the Securities and Exchange Commission ("SEC") announcing the completion of the business combination between the Company and Enigma BVI in accordance with the terms of the Share Exchange Agreement. As a result of the transaction, Enigma BVI is a wholly owned subsidiary of the Company, and the former shareholders of Enigma BVI became the holders of approximately 84% of the Company's issued and outstanding capital stock on a fully-diluted basis. The acquisition was accounted for as a recapitalization effected by a share exchange, wherein Enigma BVI is considered the acquirer for accounting and financial reporting purposes. The assets and liabilities of the acquired entity have been brought forward at their book value and no goodwill has been recognized.

In September 2018, the Company incorporated Marvelous ERA Limited in the British Virgin Islands as a wholly-owned subsidiary ("Marvelous ERA"). Marvelous ERA is the 70% majority owner of One Belt One Network Holdings Limited, a British Virgin Islands company ("OBON") which was incorporated in October 2018. OBON is the sole parent of One Belt One Network (HK) Limited, a company organized under the laws of Hong Kong SAR in October 2018. These companies currently have minimal operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The interim condensed consolidated financial information as of September 30, 2018 and for the nine and three month periods ended September 30, 2018 and 2017 have been prepared without audit, pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures, which are normally included in consolidated financial statements prepared in accordance with U.S. GAAP have not been included. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and accompanying footnotes thereto, included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, previously filed with the SEC on March 20, 2018.

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

Use of Estimates

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

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiary and VIE entity. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

A subsidiary is an entity in which (i) the Company directly or indirectly controls more than 50% of the voting power; or (ii) the Company has the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meeting of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders.

VIE Consolidation

The Company's VIE is owned as to 57.5% by Mr. Ratanaphon Wongnapachant, 2.5% by Ms. Chanikarn Lertchawalitanon, and 40% by S-Mark Co. Ltd., a KOSDAQ-listed corporation. For the consolidated VIE, management made evaluations of the relationships between the Company and the VIE and the economic benefit flow of contractual arrangements with the VIE. In connection with such evaluation, management also took into account the fact that, as a result of such contractual arrangements, the Company controls the shareholders' voting interests in these VIE. As a result of such evaluation, management concluded that Enigma BVI is the primary beneficiary of its consolidated VIE.

Owing predominantly to the Thailand legal restrictions on foreign ownership, Enigma BVI currently conducts the coding business in Thailand through Digiwork, which it effectively controls through a series of contractual arrangements. The Company consolidates in its consolidated financial statements of the VIE of which the Company is the primary beneficiary.

The following financial information of Digiwork is included in the accompanying consolidated financial statements:

	September 30, 2018	December 31, 2017
ASSETS		
Cash at bank and on hand	\$ 9,238	\$ 9,601
Prepayments and deposits	818,436	982,523
Other receivables	6,291	5,365
Property, plant and equipment, net	<u>10,714</u>	<u>12,777</u>
TOTAL ASSETS	<u>\$ 844,679</u>	<u>\$ 1,010,266</u>
LIABILITIES		
Accruals	\$ 9,173	\$ 5,898
Amount due to a director	324,547	209,144
Amount due to Enigma BVI	1,000,000	-
Amount due to a related company	<u>-</u>	<u>1,000,000</u>
TOTAL LIABILITIES	<u>\$ 1,333,720</u>	<u>\$ 1,215,042</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
Revenues	\$ 13,976	\$ 125,127	\$ 30,342	\$ 125,127
Net loss	<u>\$ 69,043</u>	<u>\$ 25,033</u>	<u>\$ 284,053</u>	<u>\$ 157,055</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
Net cash used in operating activities	\$ (17,601)	\$ (48,951)	\$ (101,727)	\$ (57,052)
Net cash used in investing activities	-	(797)	-	(9,475)
Net cash provided by financing activities	<u>31,291</u>	<u>63,709</u>	<u>114,332</u>	<u>91,281</u>

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

	Estimated useful lives (years)
Office and computer equipment	<u>5</u>
Software	5

Expenditure for maintenance and repairs is expensed as incurred.

The gain or loss on the disposal of property, plant and equipment is the difference between the net sales proceeds and the lower of the carrying value or fair value less cost to sell the relevant assets and is recognized in general and administrative expenses in the consolidated statements of comprehensive loss.

Impairment of Long-lived Assets

In accordance with ASC 360-10-35, we review the carrying values of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Based on the existence of one or more indicators of impairment, the Company measures any impairment of long-lived assets using the projected discounted cash flow method at the asset group level. The estimation of future cash flows requires significant management judgment based on the Company's historical results and anticipated results and is subject to many factors. The discount rate that is commensurate with the risk inherent in the Company's business model is determined by its management. An impairment loss would be recorded if the Company determined that the carrying value of long-lived assets may not be recoverable. The impairment to be recognized is measured by the amount by which the carrying values of the assets exceed the fair value of the assets. No impairment has been recorded by the Company as of September 30, 2018 and December 31, 2017.

Revenue Recognition

Revenue is principally comprised of image coding services revenue, and represents the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities and is recorded net of value-added tax ("VAT"). Under the new revenue standards, the Company recognizes revenues when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognizes revenues following the five step model prescribed under ASU No. 2014-09: (i) identify contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenues when (or as) the Company satisfies the performance obligation.

Revenues are recognized when the customer obtains control of our product or services, which may occur at a point in time or over time depending on the terms and conditions of the agreement.

Digiwork's revenues for the nine months ended September 30, 2018 of \$30,342 were derived from two customers, which individually accounted for 54% and 46% of the Company's revenues, respectively. Digiwork's revenues for the three months ended September 30, 2018 of \$13,976 were derived entirely from one customer.

Digiwork's revenues for the three and nine months ended September 30, 2017 of \$125,127 were derived from two customers, which individually accounted for 65% and 35% of the Company's revenues, respectively.

Two unrelated individuals were hired by Digiwork in relation to its two projects and incurred costs totaling \$1,980 and \$5,226 for the three and nine months ended September 30, 2018, respectively.

Two unrelated individuals were hired by Digiwork in relation to its two projects and incurred costs totaling \$18,919 for each of the three and nine month periods ended September 30, 2017.

The Company and Enigma BVI have not earned any revenue since their inception.

Foreign Currency and Foreign Currency Translation

The functional currency of the Company and Enigma BVI is US\$. The Company's VIE with operations in Thailand uses its respective local currency, Thai Baht ("THB"), as its functional currency. An entity's functional currency is the currency of the primary economic environment in which it operates, normally that is the currency of the environment in which the entity primarily generates and expends cash. Management's judgment is essential to determine the functional currency by assessing various indicators, such as cash flows, sales price and market, expenses, financing and inter-company transactions and arrangements.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are re-measured at the applicable rates of exchange in effect at that date. Gains and losses resulting from foreign currency re-measurement are included in the statements of comprehensive loss.

The financial statements are presented in U.S. dollars. Assets and liabilities are translated into U.S. dollars at the current exchange rate in effect at the balance sheet date, and revenues and expenses are translated at the average of the exchange rates in effect during the reporting period. Stockholders' equity accounts are translated using the historical exchange rates at the date the entry to stockholders' equity was recorded, except for the change in retained earnings during the period, which is translated using the historical exchange rates used to translate each period's income statement. Differences resulting from translating functional currencies to the reporting currency are recorded in accumulated other comprehensive income in the balance sheets.

Translation of amounts from THB into U.S. dollars has been made at the following exchange rates:

Balance sheet items, except for equity accounts	
September 30, 2018	THB32.3000 to \$1
December 31, 2017	THB32.5512 to \$1
Income statement and cash flows items	
For the nine months ended September 30, 2018	THB32.1431 to \$1
For the nine months ended September 30, 2017	THB34.3577 to \$1

Research and Development

Research and development costs are paid to Digiwork Korea, which is providing research and development services to Digiwork for a period of five years commencing on March 31, 2017. Research and development costs are recognized in general and administrative expenses and expensed as incurred. Research and development expense was \$56,029 and \$56,146 for the three months ended September 30, 2018 and 2017, respectively; and \$172,566 and \$111,256 for the nine months ended September 30, 2018 and 2017, respectively.

Income Taxes

Income taxes are accounted for using an asset and liability approach which requires the recognition of income taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Deferred income taxes are determined based on the differences between the accounting basis and the tax basis of assets and liabilities and are measured using the currently enacted tax rates and laws. Deferred tax assets are reduced by a valuation allowance, if based on available evidence, it is considered that it is more likely than not that some portion of or all of the deferred tax assets will not be realized. In making such determination, the Company considers factors including future reversals of existing taxable temporary differences, future profitability, and tax planning strategies. If events were to occur in the future that would allow the Company to realize more of its deferred tax assets than the presently recorded net amount, an adjustment would be made to the deferred tax assets that would increase income for the period when those events occurred. If events were to occur in the future that would require the Company to realize less of its deferred tax assets than the presently recorded net amount, an adjustment would be made to the valuation allowance against deferred tax assets that would decrease income for the period when those events occurred. Significant management judgment is required in determining income tax expense and deferred tax assets and liabilities.

Thailand Withholding Tax on Dividends

Dividends payable by a foreign invested enterprise in Thailand to its foreign investors are subject to a 10% withholding tax, unless any foreign investor's jurisdiction of incorporation has a tax treaty with Thailand that provides for a different withholding arrangement.

Uncertain Tax Positions

Management reviews regularly the adequacy of the provisions for taxes as they relate to the Company's income and transactions. In order to assess uncertain tax positions, the Company applies a more likely than not threshold and a two-step approach for tax position measurement and financial statement recognition. For the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon settlement.

Net loss per share of common stock

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

	For the three months ended September 30 ,		For the nine months ended September 30,	
	2018	2017	2018	2017
Net loss	\$ (111,227)	\$ (84,812)	\$ (571,753)	\$ (344,150)
Weighted average number of common shares outstanding – basic and diluted	40,197,751	37,500,000	38,866,249	31,731,374
Basic and diluted loss per share	\$ -*	\$ -*	\$ (0.01)	\$ (0.01)

* Less than \$0.01 per share

The calculation of basic net loss per share of common stock is based on the net loss for the three and nine months ended September 30, 2018 and 2017 and the weighted average number of ordinary shares outstanding. The Company completed a reverse stock split on March 13, 2018, pursuant to which every two shares of the Company's common stock were combined into one share of common stock. All share information and amounts included in these consolidated financial statements have been retroactively adjusted to effect for this stock split.

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

Segments

The Company evaluates a reporting unit by first identifying its operating segments, and then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meets the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated. The Company has one reportable segment in the periods presented (see Note 7 – Segment Information).

Fair Value of Financial Instruments

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

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

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

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

The carrying value of the Company’s financial instruments, including cash at banks and on hand and balances with related parties approximate their fair value due to their short maturities.

Comprehensive Income

Comprehensive income is defined as the change in equity of a company during a period from transactions and other events and circumstances excluding transactions resulting from investments from owners and distributions to owners. Accumulated other comprehensive income includes cumulative foreign currency translation adjustment.

Recently issued accounting pronouncements

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

On January 5, 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This amendment requires all equity investments to be measured at fair value, with changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). The Company adopted this new standard on January 1, 2018, which does not have an impact on its consolidated financial statements.

On February 25, 2016, the FASB issued ASU No. 2016-02 (“ASU 2016-02”), Leases. ASU 2016-02 specifies the accounting for leases. For operating leases, ASU 2016-02 requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. In addition, this standard requires both lessees and lessors to disclose certain key information about lease transactions. ASU 2016-02 is effective for public companies for annual reporting periods, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. Management is currently assessing the potential impact of adopting this standard on the Company’s consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early application will be permitted for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company does not expect this standard to have a material impact on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments, which clarifies the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company adopted this new standard on January 1, 2018, which does not have an impact on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2017, and interim period within those fiscal years. The Company adopted this new standard on January 1, 2018, which does not have an impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, which clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company adopted this new standard on January 1, 2018, which does not have an impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, Simplifying the Test for Goodwill Impairment. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The guidance should be adopted on a prospective basis for the annual or any interim goodwill impairment tests beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect this standard to have a material impact on its consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows a reclassification of the income tax effects of the Tax Act on items within accumulated other comprehensive income to retained earnings. The new guidance may be applied at the beginning of the period of adoption or retrospectively to each period in which the effect of the change in federal income tax rate from the Tax Act is recognized. The new standard will be effective for the Company in the first quarter of fiscal 2019. The Company does not anticipate the revised standard will impact its consolidated financial statements or the related disclosures.

NOTE 3 - BALANCES WITH RELATED PARTIES

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Due from shareholders	\$ 21,250	\$ 21,250
Due to directors		
Mr. Ratanaphon Wongnapachant	\$ 160,023	\$ 266,029
Mr. Wai Hok Fung	2,275	79,070
	<u>\$ 162,298</u>	<u>\$ 345,099</u>
Due to a related company – Digiwork Korea (Note 1)	<u>\$ -</u>	<u>\$ 1,000,000</u>

The balances with shareholders and directors detailed above as of September 30, 2018 and December 31, 2017 are unsecured, non-interest bearing and repayable on demand.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT, NET

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

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Office and computer equipment	\$ 13,012	\$ 12,912
Software	1,443	1,432
Less: Accumulated depreciation	(3,741)	(1,567)
	<u>\$ 10,714</u>	<u>\$ 12,777</u>

Depreciation expenses charged to the statements of comprehensive loss for the three months ended September 30, 2018 and 2017 were \$714 and \$466, respectively; for the nine months ended September 30, 2018 and 2017 were \$2,173 and \$902, respectively.

NOTE 5 - COMMON STOCK

On May 15, 2017, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Enigma BVI, and all the shareholders of Enigma BVI, namely, Mr. Ratanaphon Wongnapachant, Ms. Chanikarn Lertchawalitanon, and S-Mark Co. Ltd. (each a "Shareholder" and collectively the "Shareholders"), to acquire all the issued and outstanding capital stock of Enigma BVI in exchange for the issuance to the Shareholders of an aggregate of 31,500,000 restricted shares of the Company's common stock (the "Reverse Merger"). Immediately after the closing of the Reverse Merger, the Company had a total of 37,500,000 issued and outstanding shares of common stock, 31,500,000 of which were held by the Shareholders.

In connection with the transactions contemplated by the Share Exchange Agreement, the Company and Mr. Wai entered into a Repurchase Agreement, dated May 14, 2017, pursuant to which the Company purchased 19,747,500 shares of the Company's common stock (the "Repurchase Shares") from Mr. Wai for a total purchase price of \$1.00, effective immediately prior to the consummation of the Share Exchange Agreement. The Repurchase Shares were held as treasury shares and issued to the Shareholders pursuant to the Share Exchange Agreement.

Effective June 28, 2017, the Company's Board of Directors and holders of a majority of the Company's outstanding shares of common stock approved and adopted an amendment to the Company's Articles of Incorporation to (i) increase the Company's authorized shares of common stock, par value \$0.0001 per share, from 75,000,000 to 150,000,000 shares and (ii) authorize the issuance of up to 25,000,000 shares of blank check preferred stock, par value \$0.0001 per share (the "Amendment"). The Company filed the Amendment with the Secretary of State for the State of Nevada to effect the changes on August 17, 2017.

On November 16, 2017, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain investors (collectively, the "Purchasers"), pursuant to which the Company sold to the Purchasers in a private placement an aggregate of 197,750 shares (the "Shares") of the Company's common stock, par value \$0.0001 per share, at a purchase price of \$1.00 per Share for an aggregate offering price of \$197,750 (the "Private Placement"). The Private Placement was completed pursuant to the exemption from registration provided by Regulation S promulgated under the Securities Act of 1933, as amended.

On March 7, 2018, the Company filed a Certificate of Change with the State of Nevada (the "Certificate") to effect a 1-for-2 reverse stock split of the Company's authorized shares of common stock, par value \$0.0001 (the "Common Stock"), accompanied by a corresponding decrease in the Company's issued and outstanding shares of Common Stock (the "Reverse Stock Split") such that, following the consummation of the Reverse Stock Split, the number of authorized shares of Common Stock shall be reduced from 150,000,000 to 75,000,000. The Reverse Stock Split became effective on March 13, 2018.

On May 18, 2018, the Company entered into a Securities Purchase Agreement with Wong Mang Hon, pursuant to which the Company sold to the purchaser in a private placement an aggregate of 1,000,000 shares of the Company's common stock, par value \$0.0001 per share, at a purchase price of \$1.00 per Share for an aggregate offering price of \$1,000,000 (the "May Private Placement"). The May Private Placement was completed pursuant to the exemption from registration provided by Regulation S promulgated under the Securities Act of 1933, as amended.

On June 1, 2018, the Company entered into a Securities Purchase Agreement with Wong Sio Man, pursuant to which the Company sold to the purchaser in a private placement an aggregate of 1,500,000 shares of the Company's common stock, par value \$0.0001 per share, at a purchase price of \$1.00 per Share for an aggregate offering price of \$1,500,000 (the "June Private Placement"). The June Private Placement was completed pursuant to the exemption from registration provided by Regulation S promulgated under the Securities Act of 1933, as amended.

NOTE 6 - INCOME TAXES

(a) The local (United States) and foreign components of loss before income taxes were comprised of the following:

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
Tax jurisdictions from:				
- Local	\$ (14,611)	\$ (59,779)	\$ (243,448)	\$ (102,885)
- Foreign, representing:				
BVI	(27,573)	-	(44,252)	(84,210)
Thailand	(69,043)	(5,630)	(284,053)	(157,055)
Loss before income taxes	<u>\$ (111,227)</u>	<u>\$ (65,409)</u>	<u>\$ (571,753)</u>	<u>\$ (344,150)</u>

United States of America

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

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

Thailand

The statutory corporate income tax rate in Thailand ("CIT") is 20%.

Digiwork, assuming a paid-in capital not exceeding 5 million Thai baht (THB) (\$154,799) at the end of any accounting period and income from the sale of goods and/or the provision of services not exceeding THB 30 million (\$928,793) in any accounting period, is subject to CIT in Thailand at the following reduced rates:

For accounting periods beginning on or after January 1, 2017:

Net profit	
Nil – THB300,000 (\$9,288)	0%
THB300,000 – THB3,000,000 (\$92,879)	15%
Over THB3,000,000 (\$92,879)	20%

A reconciliation of loss before income taxes to the effective tax rate as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Loss before income taxes	\$ (111,227)	\$ (65,409)	\$ (571,753)	\$ (344,150)
Statutory income tax rate	21%	34%	21%	34%
Income tax credit computed at statutory income tax rate	(23,357)	(22,239)	(120,068)	(117,011)
Reconciling items:				
Non-deductible expenses	5,500	-	29,716	-
Tax effect of tax exempt entity	5,790	-	9,293	28,631
Rate differential in different tax jurisdictions	690	789	2,841	21,988
Valuation allowance on deferred tax assets	11,377	32,328	78,218	49,673
Others	-	8,525	-	16,719
Total tax expenses	\$ -	\$ 19,403	\$ -	\$ -

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

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Deferred tax assets:		
Net operating loss carryforwards:		
- United States of America	\$ 111,278	\$ 60,154
- Thailand	54,697	27,520
	<u>165,975</u>	<u>87,674</u>
Less: Valuation allowance	(165,975)	(87,674)
	<u>\$ -</u>	<u>\$ -</u>

The Company has accumulated net operating loss carryovers of approximately \$529,895 and \$286,446 as of September 30, 2018 and December 31, 2017, respectively, which are available to reduce future taxable income. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards of \$145,660 for federal income tax reporting purposes may be subject to annual limitations. A change in ownership may limit the utilization of the net operating loss carry forwards in future years. The tax losses will begin to expire in 2035.

As of September 30, 2018 and December 31, 2017, Digiwork had net operating loss carry forwards of \$273,483 and \$137,598, respectively, which will expire in various years through 2023.

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

NOTE 7 - SEGMENT INFORMATION

The Company, via its relationship with Digiwork, is a technology development and services provider specializing in coding services in various industries and markets.

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

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

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Capital Commitments

Digiwork engaged a related party to provide research and development services for a period of five years commencing on March 31, 2017, with a total contract amount of \$10,000,000, which was subsequently lowered to \$1,100,000 (see Note 1). The final payment of \$1,000,000 under this agreement was paid in May 2018.

Lease Commitments

Rental expense of the Company was \$11,878 and \$11,696 for the three months ended September 30, 2018 and 2017, respectively; and was \$36,594 and \$28,771 for the nine months ended September 30, 2018 and 2017, respectively

The Company has entered into a lease for office space located in Din Daeng Sub-district, din Daeng District, Bangkok, Thailand for the period from February 21, 2017 to February 20, 2020, at THB127,120 (\$3,936) per month.

The total future minimum lease payments under the non-cancellable operating lease with respect to the office premises as of September 30, 2018 are payable as follows:

12 months ending September 30,		
2019	\$	48,528
2020		20,220
2021		-
Total	\$	68,748

Employment Agreement

On April 1, 2018 Enigma BVI entered into an employment agreement with Mr. Cheng Kim Sing to serve as Enigma BVI's chief financial officer for a monthly salary of HK\$45,000 (approximately \$5,769). The employment agreement may be terminated by Enigma BVI or Mr. Cheng with one month's prior notice or by Enigma BVI immediately for cause.

NOTE 9 - THAILAND CONTRIBUTION PLAN

In accordance with the rules and regulations of Thailand, the employees of the VIE established in Thailand are required to participate in a defined contribution retirement plan organized by local government. Contributions to this plan are expensed as incurred and other than these monthly contributions, the VIE has no further obligation for the payment of retirement benefits to its employees. For the three months ended September 30, 2018 and 2017, the VIE contributed a total of \$244 and \$417, respectively; for the nine months ended September 30, 2018 and 2017, the VIE contributed a total of \$989 and \$1,134, respectively, to this plan.

NOTE 10 - CERTAIN RISKS AND CONCENTRATIONS

Credit risk

At September 30, 2018, the Company's cash and cash equivalents primarily included bank deposits of \$8,073 and \$932,410 in accounts maintained in Thailand and Hong Kong. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risks on its cash in bank accounts.

Foreign currency risk

As a result of the operations in Thailand, the Company is exposed to foreign exchange risk arising from the currency exposures, primarily with respect to THB. The Company's VIE with operations in Thailand uses its local currency, THB, as its functional currency. Although a majority of its total revenues, its payroll and other operating expenses are incurred and paid in Thai baht, its payment of R&D services provided by Digiwork Korea is required to be made in the U.S. dollar. As of September 30, 2018 and December 31, 2017, the Company owed Enigma BVI and Digiwork Korea \$1,000,000 for such R&D services, respectively.

NOTE 11 - SUBSEQUENT EVENT

The Company has analyzed its operations subsequent to September 30, 2018 and has determined that, apart from those already disclosed elsewhere in these financial statements, it does not have any material subsequent events to disclose in these financial statements.

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

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

Special Note Regarding Forward Looking Statements

In addition to historical information, this report contains forward-looking statements. We use words such as "believe," "expect," "anticipate," "project," "target," "plan," "optimistic," "intend," "aim," "will" or similar expressions which are intended to identify forward-looking statements. Such statements include, among others, those concerning market and industry segment growth; any projections of earnings, revenue, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including those identified in Part I of our Form 10-K for the fiscal year ended December 31, 2017, as well as assumptions, which, if they were to ever materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements.

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

Overview

IWEB Inc. is a corporation in a stage of early development that was formed in the State of Nevada on February 17, 2015. Our initial strategy was to design web sites for clients, manage advertising campaigns and to develop and become a company that provides better search engine optimization ("SEO") software and techniques to smaller clients.

On May 15, 2017, we entered into a share exchange agreement (the "Share Exchange Agreement") with Enigma Technology International Corporation, a British Virgin Islands company, ("Enigma BVI"), and all the shareholders of Enigma BVI, namely, Ratanaphon Wongnaphachant, Chanikarn Lertchawalitanon, and S-Mark Co. Ltd. (each a "Shareholder" and collectively the "Shareholders"), to acquire all the issued and outstanding capital stock of Enigma BVI in exchange for the issuance to the Shareholders of an aggregate of 31,500,000 restricted shares of our common stock (the "Reverse Merger"). As a result of the Reverse Merger, Enigma BVI is now our wholly-owned subsidiary. For accounting purposes, the transaction with Enigma BVI was treated as a reverse acquisition, with Enigma BVI as the acquirer and the Company as the acquired party. Unless the context suggests otherwise, when we refer in this report to business and financial information for periods prior to the consummation of the reverse acquisition, we are referring to the business and financial information of Enigma BVI and its consolidated VIE.

As result of the Reverse Merger, Enigma BVI became our wholly-owned subsidiary and its business became our business. Enigma BVI is a holding company incorporated under the laws of British Virgin Islands on February 22, 2017. Enigma BVI conducts its business through its variable interest entity, Digiwork (Thailand) Co., Ltd. ("Digiwork" or "VIE"), a company incorporated in Thailand on November 24, 2016 with registered capital of Thai Baht ("THB") 5,000,000 (approximately \$151,332). Digiwork is an operating vehicle that is a joint venture company by two Thai shareholders (Ratanaphon Wongnaphachant, Chanikarn Lertchawalitanon) and one Korean shareholder, S-Mark Co., Ltd., which is a publicly listed company in Korea. Digiwork Korea is a 100% wholly-owned subsidiary of S-Mark Co., Ltd., and provides licenses of various coding technologies to Digiwork for the operation in seven countries: Thailand, Vietnam, Myanmar, Laos, Cambodia, United Arab Emirates and Qatar.

In September 2018, the Company incorporated Marvelous ERA Limited in the British Virgin Islands as a wholly-owned subsidiary ("Marvelous ERA"). Marvelous ERA is the 70% majority owner of One Belt One Network Holdings Limited, a British Virgin Islands company ("OBON") which was incorporated in October 2018. OBON is the sole parent of One Belt One Network (HK) Limited, a company organized under the laws of Hong Kong SAR in October 2018. These companies currently have minimal operations.

All references in this quarterly report to share and per share data of IWEB, Inc. have been adjusted to give effect of the 1-for-2 reverse stock split by the Company effective on March 13, 2018.

Our Business Strategy

Digiwork was set up pursuant to a joint business agreement among its shareholders ("JBA") on August 4, 2016, as amended and restated on March 31, 2017. Pursuant to the JBA, Digiwork was originally obligated to pay a total of \$10,000,000 to S-Mark Co., Ltd., a shareholder of Digiwork or Digiwork Co., Ltd. ("Digiwork Korea", a 100% wholly owned subsidiary of S-Mark Co., Ltd., a 33.6% shareholder of the Company). On July 10, 2017, parties to the JBA entered into an amendment to the Amended and Restated Joint Business Agreement which amended the total payment from \$10,000,000 to \$1,100,000. As the consideration for such payments, Digiwork Korea agreed to provide research and development services to Digiwork for a period of five years commencing on March 31, 2017. Digiwork currently has 4 full time employees, all of which are administrative staff members. The technical services are currently provided by contracted technicians from Digiwork Korea.

Digiwork Korea also agreed to grant to Digiwork full and exclusive licenses of any new launches, developments, improvements and any other intellectual property rights so developed by Digiwork Korea. The territories for such licenses are Thailand, Vietnam, Myanmar, Laos, Cambodia, United Arab Emirates and Qatar.

Digiwork was authorized by Digiwork Korea to be an official licensee and distributor of its technology exclusively in Thailand, Vietnam, Myanmar, Laos, Cambodia, United Arab Emirates and Qatar, and the authorization covers all four categories of Digiwork Korea’s coding technology: image, audio, web and security coding. This technology enables governments and enterprises around the world to give digital identities to media and objects that computers can sense and recognize, and to which they can react.

Digiwork is a technology development and services provider specializing in coding services in various industries and markets. Digiwork’s technology enables enterprises to imbed or imprint invisible digital identities to media and objects that various computer devices can sense and recognize and to which they can react. Our coding technology provides the means to infuse persistent digital information, perceptible only to computers and digital devices, into all forms of media content. Our coding technology permits computers and digital devices including smartphones, tablets, industrial scanners and other computer interfaces to quickly identify relevant data from vast amounts of media content. We focus on four coding technologies:

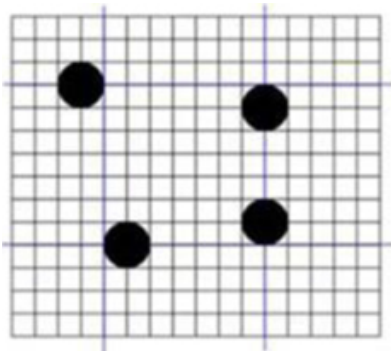
- Image coding technology,
- Audio coding technology,
- Web coding technology, and
- Security coding technology

There are currently no competing technologies existing in our authorized territories, however, older technologies like QR code remains as our primary competitor. We need to convince customers that our technology is more advanced and will replace QR code and similar identification technologies in the near future.

We provide tailor-made coding technological solutions to various commercial entities in different markets. Our technologies enable companies to give digital identity or information through various media like music, movies, television broadcasts, images and printed materials. The wide range application of the above four technologies can provide improved media rights, asset management, reduce piracy and counterfeiting losses, improve marketing programs, permit more efficient and effective distribution of valuable media content and enhance consumer experiences.

Our technologies and products are as follows:

Completed portion of the pattern



The above basic pattern will be generated through our pattern generator with constantly varied variables and spread over the product surface as below. The patterns are generated before usage and kept in the server to be issued when needed. All patterns will be unique due to its varied coordinates, and the usage of each code can be tracked individually.

The coordinate dot patterns are processed through 7 steps:

1. Recognition of pattern through device
 - A. Software will limit amount data captured through camera
 - B. Firmware configurations will enhance recognition
2. Captured data will be filtered for better recognition of location
 - A. Visually unlevelled patterns will be corrected in 3D within software to level the grid
 - B. Software will filter in dots only
3. Captured data will be segmented to a predefined amount of bits
 - A. Dots will be segmented into predefined spacing and values and identified
4. Dots will go through decoding
 - A. Decoded values will turn into keys
5. Value of the segmented portion will go through a dot finder which is in the server library
 - A. Dot coordinates will be stored in a library with exact offsets prior to production
6. Software analyzes offsets of each dot within segmented area
 - A. Offset values give each dot a unique position by calculating other dots beside it
7. Connected to application or content



Results of Operations

Comparison of Three Months Ended September 30, 2018 and 2017:

	For the three months ended September 30,	
	2018	2017
Revenue	\$ 13,976	\$ 125,127
Cost of revenue	(1,980)	(18,919)
General and administrative expenses	(149,170)	(172,503)
Other income	25,947	886
Loss before income tax	(111,227)	(65,409)
Income tax benefit	-	(19,403)
Net loss	<u>\$ (111,227)</u>	<u>\$ (84,812)</u>

Revenues and cost of revenue. Revenue is principally comprised of image coding services revenue, and represents the fair value of the consideration received or receivable for the provision of services in the ordinary course of our activities and is recorded net of value-added tax ("VAT"). Digiwork's revenues for the three months ended September 30, 2018 of \$13,976 was derived from a single customer, which individually accounted for 100% of the Company's revenues. An unrelated individual was hired by Digiwork in relation to this project and incurred costs totaling \$1,980 for the three months ended September 30, 2018.

Digiwork's revenues for the three months ended September 30, 2017 were derived from two customers, which individually accounted for 65% and 35% of the Company's revenues, respectively. Two unrelated individuals were hired by Digiwork in relation to its two projects and incurred costs totaling \$18,919 for the three months ended September 30, 2017.

The Company and Enigma BVI have not earned any revenue since their inception.

General and administrative expenses. Our general and administrative expenses for the three months ended September 30, 2018 was \$149,170, \$36,956 of which were costs associated with our personnel, \$56,029 of which were R&D expenses and \$30,737 of which were professional fees. Our general and administrative expenses for the three months ended September 30, 2017 was \$172,503, \$19,446 of which were costs associated with our personnel in Thailand, \$56,146 of which were R&D expenses and \$72,558 of which were professional fees. Professional fees were high in the third quarter of 2017 mainly in relation to the reverse merger transaction with IWEB Inc. (see Note 1 to the accompanying financial statements).

Other income. Our other income for the three months ended September 30, 2018 was \$25,947, which was mainly related to exchange differences. Although a majority of total revenues, payroll and other operating expenses are incurred and paid by our VIE in Thailand in Thai baht, its payment of R&D services provided by Digiwork Korea is required to be made in U.S. dollars. During the three months ended September 30, 2018, the final payment of \$1,000,000 was paid by Enigma BVI to Digiwork Korea in connection with the agreement between those entities. As of September 30, 2018, our VIE in Thailand owed Enigma BVI \$1,000,000 for such R&D services fees. As Thai baht appreciated against the U.S. dollar in the third quarter of 2018, we recorded an exchange gain of \$23,219.

Net loss. As a result of the above, we recorded a net loss of \$111,277 and \$84,812 for the three months ended September 30, 2018 and 2017, respectively.

Comparison of Nine Months Ended September 30, 2018 and 2017:

	For the nine months Ended September 30,	
	2018	2017
Revenue	\$ 30,342	\$ 125,127
Cost of revenue	(5,226)	(18,919)
General and administrative expenses	(613,183)	(451,491)
Other income	16,314	1,133
Loss before income tax	(571,753)	(344,150)
Income tax benefit	-	-
Net loss	<u>\$ (571,753)</u>	<u>\$ (344,150)</u>

Revenues and cost of revenue. Revenue is principally comprised of image coding services revenue, and represents the fair value of the consideration received or receivable for the provision of services in the ordinary course of our activities and is recorded net of value-added tax ("VAT"). Digiwork's revenues for the nine months ended September 30, 2018 of \$30,342 were derived from two customers, which individually accounted for 54% and 46% of the Company's revenues, respectively. Two unrelated individuals were hired by Digiwork in relation to its two projects and incurred costs totaling \$5,226 for the nine months ended September 30, 2018.

Digiwork's revenues for the nine months ended September 30, 2017 of \$125,127 were derived from two customers, which individually accounted for 65% and 35% of the Company's revenues, respectively. Two unrelated individuals were hired by Digiwork in relation to its two projects and incurred costs totaling \$18,919 for the nine months ended September 30, 2017.

The Company and Enigma BVI have not earned any revenue since their inception. Digiwork did not recognize any revenue or associated cost of revenues for the nine months ended September 30, 2017.

General and administrative expenses. Our general and administrative expenses for the nine months ended September 30, 2018 was \$613,183, \$84,957 of which were costs associated with our personnel, \$172,566 of which were R&D expenses and \$286,849 of which were professional fees. Our general and administrative expenses for the nine months ended September 30, 2017 was \$451,491, \$54,404 of which were costs associated with our personnel in Thailand, \$111,256 of which were R&D expenses and \$199,762 of which were professional fees. Our general and administrative expenses increased by 35.8% in the nine months ended September 30, 2018 as our operations developed, and we expect our general and administrative expenses to continue to increase when we expand our operations in Thailand.

Other income. Our other income for the nine months ended September 30, 2018 and 2017 was \$16,314 and \$1,133, respectively, which was mainly related to exchange differences. .

Net loss. As a result of the above, we recorded a net loss of \$571,753 and \$344,150 for the nine months ended September 30, 2018 and 2017, respectively.

Liquidity and Capital Resources

Working Capital

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Cash and cash equivalents	\$ 942,188	\$ 60,716
Total current assets	1,788,165	1,069,854
Total assets	1,798,879	1,082,631
Total liabilities	178,235	1,390,021
Accumulated deficit	(1,136,085)	(564,332)
Total stockholders' equity (deficit)	1,620,644	(307,390)

The following table provides detailed information about our net cash flow for the nine months ended September 30, 2018 and 2017:

	<u>For the nine months Ended September 30,</u>	
	<u>2018</u>	<u>2017</u>
Net cash used in operating activities	\$ (1,434,732)	\$ (183,006)
Net cash used in investing activities	-	(9,475)
Net cash provided by financing activities	2,316,128	217,656
Effect of exchange rate changes on cash and cash equivalents	76	669
Net increase in cash and cash equivalents	<u>\$ 881,472</u>	<u>\$ 25,844</u>

Operating Activities

Net cash used in operating activities was \$1,434,732 for the nine months ended September 30, 2018, which was mainly due to our net loss of \$571,753 and a payment made to a related party of \$1,000,000, which were partially offset by cash inflow of \$172,566 resulting from a decrease in prepayments and deposits.

Net cash used in operating activities was \$183,006 for the nine months period ended September 30, 2017, which was mainly due to our net loss of \$344,150 and increase in prepayments and deposits of \$882,873, and partially offset by cash inflow of a \$975,143 increase in a payable to a related company and a \$89,811 increase in accruals.

Investing Activities

We used cash of nil and \$9,475 for purchases of property, plant and equipment for the nine months ended September 30, 2018 and 2017, respectively.

Financing Activities

Net cash provided by financing for the nine months ended September 30, 2018 and 2017 was \$2,316,128 and \$217,656, respectively. For the nine months ended September 30, 2018, we received \$2,500,000 from the sale and issuance of our common stock and advances of \$316,128 from our directors, which were partially offset by repayment of advances in the amount of \$500,000 to our directors. For the nine months ended September 30, 2017, we received advances of \$167,656 from directors, and a \$50,000 capital contribution from one of the shareholders of our VIE (see Note 1 to the accompanying financial statements).

Contractual Obligations and Commercial Commitments

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

Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Amounts due to directors	\$ 162,298	\$ 162,298	\$ —	\$ —	\$ —
Lease	68,748	48,528	20,220	—	—
TOTAL	\$ 231,046	\$ 210,826	\$ 20,220	\$ —	\$ —

We entered into a lease for office space located in Din Daeng Sub-District, Din Daeng District, Bangkok, Thailand for the period from February 21, 2017 to February 20, 2020, at THB127,120 (\$3,936) per month.

On April 1, 2018 Enigma BVI entered into an employment agreement with Mr. Cheng Kim Sing to serve as Enigma BVI's chief financial officer for a monthly salary of HK\$45,000 (approximately \$5,769). The employment agreement may be terminated by Enigma BVI or Mr. Cheng with one month's prior notice or by Enigma BVI immediately for cause.

Off-Balance Sheet Transactions

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

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires our management to make assumptions, estimates and judgments that affect the amounts reported, including the notes thereto, and related disclosures of commitments and contingencies, if any. We have identified certain accounting policies that are significant to the preparation of our financial statements. These accounting policies are important for an understanding of our financial condition and results of operation. Critical accounting policies are those that are most important to the portrayal of our financial condition and results of operations and require management's difficult, subjective, or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Certain accounting estimates are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting the estimate may differ significantly from management's current judgments. We believe the following critical accounting policies involve the most significant estimates and judgments used in the preparation of our financial statements:

Basis of Presentation

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

Use of Estimates

The preparation of the accompanying financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

VIE Consolidation

Digiwork (Thailand) Co., Ltd. is wholly owned by Mr. Ratanaphon Wongnapachant, Ms. Chanikarn Lertchawalitanon and S-Mark Co. Ltd. (a KOSDAQ-listed corporation) as nominee shareholders. For the consolidated VIE, management made evaluations of the relationships between Enigma BVI and the VIE and the economic benefit flow of contractual arrangements with the VIE. In connection with such evaluation, management also took into account the fact that, as a result of such contractual arrangements, Enigma BVI controls the shareholders' voting interests in the VIE. As a result of such evaluation, management concluded that Enigma BVI is the primary beneficiary of our VIE.

Owing primarily to the Thailand legal restrictions on foreign ownership, we currently conduct the coding business in Thailand through Digiwork, which we effectively control through a series of contractual arrangements. We consolidate in our financial statements the VIE of which we are the primary beneficiary.

Recent Accounting Pronouncements

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

On January 5, 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This amendment requires all equity investments to be measured at fair value, with changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). We adopted this new standard on January 1, 2018, which does not have an impact on our consolidated financial statements.

On February 25, 2016, the FASB issued ASU No. 2016-02 (“ASU 2016-02”), Leases. ASU 2016-02 specifies the accounting for leases. For operating leases, ASU 2016-02 requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. In addition, this standard requires both lessees and lessors to disclose certain key information about lease transactions. ASU 2016-02 is effective for public companies for annual reporting periods, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. Management is currently assessing the potential impact of adopting this standard on our consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early application will be permitted for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. We do not expect this standard to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows — Classification of Certain Cash Receipts and Cash Payments, which clarifies the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We adopted this new standard on January 1, 2018, which does not have an impact on our consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2017, and interim period within those fiscal years. We adopted this new standard on January 1, 2018, which does not have an impact on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, which clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We adopted this new standard on January 1, 2018, which does not have an impact on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, “Simplifying the Test for Goodwill Impairment.” The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The guidance should be adopted on a prospective basis for the annual or any interim goodwill impairment tests beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We do not expect this standard to have a material impact on our consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows a reclassification of the income tax effects of the Tax Act on items within accumulated other comprehensive income to retained earnings. The new guidance may be applied at the beginning of the period of adoption or retrospectively to each period in which the effect of the change in federal income tax rate from the Tax Act is recognized. The new standard will be effective for us in the first quarter of fiscal 2019. WE do not anticipate the revised standard will impact our consolidated financial statements or the related disclosures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Report, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the 1934 Act). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2018, our disclosure controls and procedures are not effective to ensure that information required to be disclosed by us in reports that we file or submit under the 1934 Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

The Company determined that there were control deficiencies that constituted material weaknesses, as described below.

1. We do not have an audit committee of the Board of Directors – While not being legally obligated to have an audit committee, it is the management’s view that such a committee, including a financial expert member, is of the utmost importance for entity-level control over our financial statements. Currently, the Board of Directors acts in the capacity of an audit committee.
2. We did not maintain appropriate cash controls – As of September 30, 2018, we had not maintained sufficient internal controls over financial reporting for the cash process, including failure to segregate cash handling and accounting functions, and did not require dual signature on our bank accounts. However, the effects of poor cash controls were mitigated in part by the fact that we had limited transactions in our bank accounts.
3. We did not implement appropriate information technology controls – As of September 30, 2018, we were retaining copies of all financial data and material agreements; however there is no formal procedure or evidence of normal backup of our data or off-site storage of the data in the event of theft, misplacement, or loss due to unmitigated factors.
4. We currently lack sufficient accounting personnel with the appropriate level of knowledge, experience and training in U.S. GAAP and SEC reporting requirements.

Accordingly, we concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by our internal controls.

Once we have sufficient personnel available, then our Board of Directors, in particular and in connection with the aforementioned deficiencies, will establish the following remediation measures:

1. Our Board of Directors plans, if possible, to recommend the addition of an audit committee or a financial expert on our Board of Directors in fiscal year 2018.
2. We plan, as funding permits, to appoint additional personnel to assist with the preparation of our monthly financial reporting.

Despite the material weaknesses and deficiencies reported above, our management believes that our financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented and that this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Changes in Internal Control over Financial Reporting

Other than as described above, there have been no changes in the internal controls over financial reporting during the quarter ended September 30, 2018, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting subsequent to the date of management’s last evaluation.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We may occasionally become involved in various lawsuits and legal proceedings arising in the ordinary course of business. Litigation is subject to inherent uncertainties and an adverse result in these or other matters that may arise from time to time could have an adverse effect on our business, financial condition or operating results. We are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

ITEM 1A. RISK FACTORS.

Not applicable.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit No.	Description
<u>31.1†</u>	<u>Certifications of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>31.2†</u>	<u>Certifications of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.1‡</u>	<u>Certifications of Principal Executive Officer and Principal Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS†	XBRL Instance Document
101.SCH†	XBRL Schema Document
101.CAL†	XBRL Calculation Linkbase Document
101.DEF†	XBRL Definition Linkbase Document
101.LAB†	XBRL Label Linkbase Document
101.PRE†	XBRL Presentation Linkbase Document

† Filed herewith

‡ Furnished herewith

* Indicates management contract, compensatory agreement or arrangement, in which our directors or executive officers may participate.

SIGNATURES

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

Date: November 9, 2018

IWEB, Inc.

By: /s/ Ratanaphon Wongnapachant
Ratanaphon Wongnapachant
Chief Executive Officer and Chairman

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CERTIFICATIONS

I, Ratanaphon Wongnapachant, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IWEB, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2018

/s/ Ratanaphon Wongnapachant

Ratanaphon Wongnapachant
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Cheng Kim Sing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IWEB, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2018

/s/ Cheng Kim Sing

Cheng Kim Sing

Chief Financial Officer

(Principal Financial and Accounting Officer)

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

In connection with the Quarterly Report of IWEB, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ratanaphon Wongnapachant, chief executive officer of the Company, and Cheng Kim Sing, chief financial officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: November 9, 2018

By: /s/ Ratanaphon Wongnapachant
Ratanaphon Wongnapachant
Chief Executive Officer, and Chairman

Date: November 9, 2018

By: /s/ Cheng Kim Sing
Cheng Kim Sing
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
