

## Submission Data File

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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, 2020

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.)

8/6 Soi Patanakarn 30, Patanakarn Road, Suan Luang, Bangkok, Thailand  
(Address of principal executive offices, Zip Code)

+662 319 0197 - 99

(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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

The number of shares outstanding of each of the issuer's classes of common stock, as of November 11, 2020 is as follows:

Class of Securities	Shares Outstanding
Common Stock, \$0.0001 par value	40,306,211

IWEB, Inc.

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PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

IWEB, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
SEPTEMBER 30, 2020 AND DECEMBER 31, 2019 (Unaudited)  
(In U.S. dollars)

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 36,009	\$ 883,812
Accounts receivable	3,594	-
Prepayments and deposits	404,580	501,547
Other receivables	15,495	14,742
Amounts due from shareholders	1,250	1,250
Total current assets	<u>460,928</u>	<u>1,401,351</u>
<b>NON-CURRENT ASSETS</b>		
Deposits paid for acquisition of property, plant and equipment	304,086	322,689
Property, plant and equipment, net	123,496	27,459
Total non-current assets	<u>427,582</u>	<u>350,148</u>
<b>TOTAL ASSETS</b>	<u>\$ 888,510</u>	<u>\$ 1,751,499</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accruals	\$ 39,577	\$ 80,167
Short-term loan	855,914	865,625
Amounts due to directors	163,785	208,191
Total current liabilities	<u>1,059,276</u>	<u>1,153,983</u>
<b>TOTAL LIABILITIES</b>	<u>1,059,276</u>	<u>1,153,983</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
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, 40,306,211 (December 31, 2019: 40,197,751) shares issued and outstanding as of September 30, 2020	7,801	7,790
Additional paid-in capital	3,207,635	2,990,726
Accumulated deficit	(3,231,637)	(2,321,583)
Accumulated other comprehensive loss	(16,029)	(76,721)
Total IWEB, Inc. stockholders' (deficit) equity	<u>(32,230)</u>	<u>600,212</u>
Non-controlling interests	(138,536)	(2,696)
Total (deficit) equity	<u>(170,766)</u>	<u>597,516</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>	<u>\$ 888,510</u>	<u>\$ 1,751,499</u>

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, 2020 AND 2019 (Unaudited)**  
**(In U.S. dollars)**

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 1,575	\$ -	\$ 3,489	\$ -
Cost of revenue	(542)	-	(1,076)	-
Gross profit	1,033	-	2,413	-
General and administrative expenses	(209,709)	(139,192)	(731,583)	(630,525)
Loss from operations	(208,676)	(139,192)	(729,170)	(630,525)
Finance cost	(64,493)	-	(192,746)	-
Other (expenses) income	(47,695)	3,288	(122,668)	53,470
Loss before income tax	(320,864)	(135,904)	(1,044,584)	(577,055)
Income tax	-	-	-	-
<b>Net loss</b>	<b>\$ (320,864)</b>	<b>\$ (135,904)</b>	<b>\$ (1,044,584)</b>	<b>\$ (577,055)</b>
<b>Net loss attributable to non-controlling interests</b>	<b>47,659</b>	<b>12,853</b>	<b>134,530</b>	<b>29,334</b>
<b>Net loss attributable to ordinary stockholders of IWEB, Inc.</b>	<b>\$ (273,205)</b>	<b>\$ (123,051)</b>	<b>\$ (910,054)</b>	<b>\$ (547,721)</b>
<b>Net loss</b>	<b>\$ (320,864)</b>	<b>\$ (135,904)</b>	<b>\$ (1,044,584)</b>	<b>\$ (577,055)</b>
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment	32,724	4,663	59,382	(31,887)
<b>Total comprehensive loss</b>	<b>(288,140)</b>	<b>(131,241)</b>	<b>(985,202)</b>	<b>(608,942)</b>
Total comprehensive loss attributable to non-controlling interests	45,958	10,694	135,840	27,175
<b>Total comprehensive loss attributable to ordinary stockholders of IWEB, Inc.</b>	<b>\$ (242,182)</b>	<b>\$ (120,547)</b>	<b>\$ (849,362)</b>	<b>\$ (581,767)</b>
Loss per share - Basic and diluted	\$ (0.01)	\$ -	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding				
Basic and diluted	40,306,211	40,197,751	40,276,127	40,197,751

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

**IWEB, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019 (Unaudited)**  
**(In U.S. dollars)**

	For the nine months ended September 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (1,044,584)	\$ (577,055)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	61,601	2,216
Foreign exchange	107,591	(58,734)
(Gain) loss on disposal of property, plant and equipment	(45)	2,496
Changes in assets and liabilities		
Accounts receivable	(3,599)	-
Prepayments and deposits	68,142	40,121
Other receivables	(1,606)	366
Amounts due from shareholders	-	20,000
Accruals	(37,815)	(52,810)
Net cash used in operating activities	<u>(850,315)</u>	<u>(623,400)</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	111	-
Purchase of property, plant and equipment	(159,414)	(1,272)
Advance to a director	(754,867)	-
Repayment from a director	754,867	-
Net cash used in investing activities	<u>(159,303)</u>	<u>(1,272)</u>
<b>Cash flows from financing activities</b>		
Repayment of advance from a director	(49,730)	-
Advance from directors	33,450	138,441
Proceed from issue of shares	216,920	-
Capital contribution from a shareholder of VIE	-	328,742
Net cash provided by financing activities	<u>200,640</u>	<u>467,183</u>
<b>Effect of exchange rates on cash</b>	<u>(38,825)</u>	<u>7,579</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(847,803)</u>	<u>(149,910)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>883,812</u>	<u>731,239</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 36,009</u>	<u>\$ 581,329</u>
<b>Supplemental of cash flow information</b>		
Cash paid during the period for:		
Interest	<u>\$ 196,883</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

**IWEB, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND, 2019 (Unaudited)**  
**(In U.S. dollars)**

**Three and nine months ended September 30, 2020**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Non- Controlling Interests</u>	<u>Stockholders' Equity (Deficit)</u>
	<u>Number of Shares*</u>	<u>Amount</u>					
Balance as of January 1, 2020	40,197,751	\$ 7,790	\$ 2,990,726	\$ (2,321,583)	\$ (76,721)	\$ (2,696)	\$ 597,516
Shares issued	108,460	11	216,909	-	-	-	216,920
Net loss	-	-	-	(500,685)	-	(67,774)	(568,459)
Foreign currency translation adjustment	-	-	-	-	107,364	622	107,986
Balance as of March 31, 2020	40,306,211	\$ 7,801	\$ 3,207,635	\$ (2,822,268)	\$ 30,643	\$ (69,848)	\$ 353,963
Net loss	-	-	-	(136,164)	-	(19,097)	(155,261)
Foreign currency translation adjustment	-	-	-	-	(77,695)	(3,633)	(81,328)
Balance as of June 30, 2020	40,306,211	\$ 7,801	\$ 3,207,635	\$ (2,958,432)	\$ (47,052)	\$ (92,578)	\$ 117,374
Net loss	-	-	-	(273,205)	-	(47,659)	(320,864)
Foreign currency translation adjustment	-	-	-	-	31,023	1,701	32,724
Balance as of September 30, 2020	40,306,211	\$ 7,801	\$ 3,207,635	\$ (3,231,637)	\$ (16,029)	\$ (138,536)	\$ (170,766)

**Three and nine months ended September 30, 2019**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Non- Controlling Interests</u>	<u>Stockholders' Equity</u>
	<u>Number of Shares*</u>	<u>Amount</u>					
Balance as of January 1, 2019	40,197,751	\$ 7,790	\$ 2,756,687	\$ (1,337,628)	\$ (8,984)	\$ (4,781)	\$ 1,413,084
Net loss	-	-	-	(268,932)	-	(7,952)	(276,884)
Foreign currency translation adjustment	-	-	-	-	(11,317)	-	(11,317)
Balance as of March 31, 2019	40,197,751	\$ 7,790	\$ 2,756,687	\$ (1,606,560)	\$ (20,301)	\$ (12,733)	\$ 1,124,883
Net loss	-	-	-	(155,738)	-	(8,529)	(164,267)
Foreign currency translation adjustment	-	-	-	-	(25,233)	-	(25,233)
Balance as of June 30, 2019	40,197,751	\$ 7,790	\$ 2,756,687	\$ (1,762,298)	\$ (45,534)	\$ (21,262)	\$ 935,383
Capital contribution from a shareholder of VIE	-	-	328,742	-	-	-	328,742
Net loss	-	-	-	(123,051)	-	(12,853)	(135,904)
Foreign currency translation adjustment	-	-	-	-	2,504	2,159	4,663
Balance as of September 30, 2019	40,197,751	\$ 7,790	\$ 3,085,429	\$ (1,885,349)	\$ (43,030)	\$ (31,956)	\$ 1,132,884

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

**IWEB, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**  
**(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 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.

Digiwork (Thailand) Co., Ltd. (“Digiwork”) was established and incorporated in Thailand on November 24, 2016. The authorized capital of Digiwork is THB5,000,000 (approximately \$158,378), 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 \$950) 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 S-Mark Co. Ltd., a shareholder of Digiwork or Digiwork Co., Ltd. ("Digiwork Korea"), a wholly owned subsidiary of S-Mark. 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. In May 2018, the final payment of \$1,000,000 was paid to Digiwork Korea. Towards the end of 2019, management started discussions with Digiwork Korea to review the scope of the research and development with respect of the coding technology. On March 5, 2020, the parties entered into Amendment No. 2 to the Amended and Restated Joint Business Agreement, pursuant to which Digiwork Korea agreed to provide research and development services to Digiwork until December 31, 2020. Upon expiration of its services, Digiwork Korea shall repay \$150,000 to Digiwork. Prepaid R&D payments to Digiwork Korea were \$198,194 and \$391,274 as of September 30, 2020 and December 31, 2019, respectively.

Digiwork Korea also agreed to grant Digiwork full and exclusive licenses to any new launches, developments, improvements and any other intellectual property rights of coding technology developed by Digiwork Korea until December 31, 2020. 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.

On August 17, 2017, the Company filed a Certificate of Amendment (the "Certificate") with the Secretary of State for the State of Nevada to amend its 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, effective immediately (the "Amendment"). The Amendment was approved by the Company's Board of Directors (the "Board") and by shareholders holding a majority of the Company's issued and outstanding capital stock effective on June 28, 2017.

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.

During 2019, One Belt One Network Holdings Limited, a British Virgin Island company (the "OBON BVI") and 70% owned subsidiary of IWEB, Inc., OBON Corporation Company Limited, a Thailand Company (the "OBON Thailand") and the shareholders of OBON Thailand (namely, Mr. Ratanaphon Wongnapachant, Mr. Wane Watcharakangka and Ms. Chanikarn Lertchawalitanon, the "OBON Thailand Shareholders") entered into the following agreements, or collectively, the "Variable Interest Entity or VIE Agreements," pursuant to which OBON BVI has contractual rights to control and operate the business of OBON Thailand (the "VIE"). OBON Thailand was established as our VIE for our business expansion and development in Thailand, which imposes certain restrictions on foreign invested companies.

The VIE Agreements are as follows:

1. Exclusive Technology Consulting and Service Agreement by and between OBON BVI and OBON Thailand. Pursuant to the Exclusive Technology Consulting and Service Agreement, OBON BVI agreed to act as the exclusive consultant of OBON Thailand and provide technology consulting and services to OBON Thailand. In exchange, OBON Thailand agreed to pay OBON BVI a technology consulting and service fee, the amount of which is decided by OBON BVI on the basis of the work performed and commercial value of the services, and the fee amount is to be equivalent to the amount of net profit before tax of OBON Thailand on a quarterly basis; provided that the minimum amount of which shall be no less than THB30,000 (approximately \$950) per quarter. Without the prior written consent of OBON BVI, OBON Thailand 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 OBON BVI's sole and exclusive property. The term of this agreement will expire on June 3, 2029 and may be extended unilaterally by OBON BVI with OBON BVI's written confirmation prior to the expiration date. OBON Thailand cannot terminate the agreement early unless OBON BVI commits fraud, gross negligence or illegal acts, or becomes bankrupt or winds up.
2. Exclusive Purchase Option Agreements by and among OBON BVI, OBON Thailand and each of OBON Thailand Shareholders. Pursuant to the Exclusive Purchase Option Agreements, each of OBON Thailand Shareholders granted to OBON BVI and any party designated by OBON BVI the exclusive right to purchase at any time during the term of this agreement all or part of the equity interests in OBON Thailand, or the "Equity Interests," at a purchase price equal to the registered capital paid by each of OBON Thailand Shareholders 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 a power of attorney executed by each of OBON Thailand Shareholders, each of them irrevocably authorized any person appointed by OBON BVI to exercise all shareholder rights, including but not limited to voting on his/her behalf on all matters requiring approval of OBON Thailand's shareholder, disposing of all or part of the shareholder's equity interest in OBON Thailand, and electing, appointing or removing directors and executive officers. The person designated by OBON BVI is entitled to dispose of dividends and profits on the equity interest without reliance on any oral or written instructions of OBON Thailand Shareholders. The power of attorney will remain in force for so long as each of OBON Thailand Shareholders remains the shareholder of OBON Thailand. Each of OBON Thailand Shareholders has waived all the rights which have been authorized to OBON BVI's designated person under power of attorney.
3. Equity Pledge Agreements by and among OBON BVI, OBON Thailand and each of OBON Thailand Shareholders. Pursuant to the Equity Pledge Agreements, each of OBON Thailand Shareholders pledged all of the Equity Interests to OBON BVI to secure the full and complete performance of the obligations and liabilities on the part of OBON Thailand and him/her under this and the above contractual arrangements. If OBON Thailand or OBON Thailand Shareholders breaches their contractual obligations under these agreements, then OBON BVI, as pledgee, will have the right to dispose of the pledged equity interests. Each OBON Thailand Shareholders agrees that, during the term of the Equity Pledge Agreement, he/she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests, and he/she also agrees that OBON BVI's rights relating to the equity pledge should not be prejudiced by the legal actions of the shareholder of OBON Thailand, his successors or designees. During the term of the equity pledge, OBON BVI has the right to receive all of the dividends and profits distributed on the pledged equity. The Equity Pledge Agreement will terminate on the second anniversary of the date when OBON Thailand and OBON Thailand Shareholders have completed all their obligations under the contractual agreements described above.

As a result of the above contractual arrangements, OBON BVI has substantial control over OBON Thailand's daily operations and financial affairs, election of its senior executives and all matters requiring shareholder approval. Furthermore, as the primary beneficiary of OBON Thailand, the Company, via OBON BVI, is entitled to consolidate the financial results of OBON Thailand in its own consolidated financial statements under ASC Topic 810.

On September 6, 2019, OBON Thailand, a Variable Interest Entity or VIE of OBON BVI, which is a 70% owned subsidiary of IWEB, Inc. entered into a Networking and WiFi Devices Installation Agreement (the "Agreement") with CatBuzz TV Company Limited, a Thailand Company ("CatBuzz TV").

Pursuant to the Agreement, OBON Thailand will lease and install network systems, WiFi devices and related accessories for CatBuzz TV and provide maintenance services. CatBuzz TV agrees to pay OBON Thailand compensation for the network systems, WiFi devices and the accessories and maintenance services with a monthly fee based upon the location and type of device, which fees range from 600 Baht (approximately \$19) to 2,500 Baht (approximately \$79) per device per month.

This Agreement has a term of 5 (five) years from the execution date of the Agreement. Upon the end of the term, if not agreed otherwise, both parties agree to extend the term of the Agreement for additional 2 (two) year terms, under the same terms or according to mutually agreeable terms determined by both parties in the future.

### *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 transactions 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 immediately after the transaction. 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 BVI"), which was incorporated in October 2018. OBON BVI is the sole parent of One Belt One Network (HK) Limited, a company organized under the laws of Hong Kong SAR in October 2018.

In June 2019, OBON BVI, OBON Thailand and the shareholders of OBON Thailand entered into the abovementioned VIE agreements, pursuant to which OBON BVI has contractual rights to control and operate the business of OBON Thailand.

In December 2019, a novel strain of coronavirus, causing a disease referred to as COVID-19, was reported to have surfaced in Wuhan, China, which has spread rapidly to many parts of the world, including Thailand and the U.S. In March 2020, the World Health Organization declared the COVID-19 a pandemic. The pandemic has resulted in quarantines, travel restrictions, and the temporary closure of office buildings and facilities in Thailand.

Substantially all of our revenues are generated in Thailand. The Company's business and services and results of operations have been adversely affected and could continue to be adversely affected by the COVID-19 pandemic. In response to the evolving dynamics related to the COVID-19 outbreak, the Company is following the guidelines of local authorities as it prioritizes the health and safety of its employees, contractors, suppliers and business partners. Our office in Thailand has been closed and all of the Company's employees in Thailand have been working from home since March 23, 2020 until May 7, 2020. Since May 8, 2020, our office in Thailand has been reopened and in normal operation. The quarantines, travel restrictions, and the temporary closure of office buildings have negatively impacted our business including our wifi installation project. Our suppliers have negatively been affected, and could continue to be negatively affected in their ability to supply and ship wifi related devices and parts to us if there is any further outbreak or resurgence of COVID-19. Our customers that have been negatively impacted by the outbreak of COVID-19 may reduce their budgets to purchase our products and services, which may materially adversely impact our revenue. Some of our customers may require additional time to pay us or fail to pay us at all, which could significantly increase the amount of accounts receivable and require us to record additional allowances for doubtful accounts. The outbreak of COVID-19 has disrupted our supply chain and logistics and caused shortage of active installation workers and service providers for our project and might continue to impose negative impact to our business operations. Some of our customers, contractors, suppliers and other business partners are small and medium-sized enterprises (SMEs), which may not have strong cash flows or be well capitalized, and may be vulnerable to an epidemic outbreak and slowing macroeconomic conditions. If the SMEs that we work with cannot weather the COVID-19 and the resulting economic impact, or cannot resume business as usual after a prolonged outbreak, our revenues and business operations may be materially and adversely impacted.

The global economy has also been materially negatively affected by the COVID-19 and there is continued severe uncertainty about the duration and intensity of its impacts. The Thailand and global growth forecast is extremely uncertain, which would seriously affect investment in infrastructures including building wifi network and related installation business.

While future economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common stock.

Further, as we do not have access to a revolving credit facility, there can be no assurance that we would be able to secure commercial debt financing in the future in the event that we require additional capital. We currently believe that our financial resources will be adequate to see us through the outbreak. However, in the event that we do need to raise capital in the future, outbreak-related instability in the securities markets could adversely affect our ability to raise additional capital.

Consequently, our results of operations has been adversely, and may be materially, affected, to the extent that the COVID-19 harms the Thailand and global economy. Any potential impact to our results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the COVID-19 or treat its impact, almost all of which are beyond our control.

#### *Going Concern*

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has a history of recurring net losses and a significant accumulated deficit. At September 30, 2020, the Company had an accumulated deficit of \$3,231,637 and a net working capital deficiency of \$598,348. These conditions raise substantial doubt about our ability to continue as a going concern. The Company's plan for continuing as a going concern included improving its profitability, and obtaining additional debt financing, loans from existing directors and shareholders and private placements of capital stock for additional funding to meet its operating needs. There can be no assurance that we will be successful in our plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of Presentation***

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

The condensed consolidated financial information as of September 30, 2020 and 2019, and for the three and nine month periods ended September 30, 2020 and 2019 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, 2019, previously filed with the SEC on April 9, 2020.

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.

Beginning in 2020, a strain of novel coronavirus ("COVID-19") has spread globally and at this point, it has and may continue to adversely impact the operations of the Company. The extent of the adverse impact of the COVID-19 on the Company's future business and operations will depend on several factors, such as the duration, severity, and geographic spread of the pandemic, development of the testing and treatment and stimulus measures of the government. The Company is monitoring and assessing the evolving situation closely and evaluating its potential exposure. The operating results for the nine months ended September 30, 2020 may not be indicative of the future operating results for the fiscal year ending December 31, 2020 or other future periods, particularly in light of the uncertainty and the impact of COVID-19 could have on the Company's business.

### 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 ongoing 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 and Noncontrolling Interests

The consolidated financial statements include the financial statements of the Company, its subsidiaries and VIE entities. 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.

For the Company's non-wholly owned subsidiaries, a noncontrolling interest is recognized to reflect a portion of equity that is not attributable, directly or indirectly, to the Company. Consolidated net income in the consolidated income statements includes net income (loss) attributable to noncontrolling interests. The cumulative results of operations attributable to noncontrolling interests are also recorded as noncontrolling interests in the Company's consolidated balance sheets. Cash flows related to transactions with noncontrolling interests are presented under financing activities in the consolidated statements of cash flows.

### VIE Consolidation

#### Digiwork

Digiwork 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 the 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, 2020	December 31, 2019
<b>ASSETS</b>		
Cash at bank and on hand	\$ 115	\$ 377
Prepayments and deposits	198,371	391,463
Other receivables	2,458	2,582
Amount due from a fellow subsidiary	-	849
Property, plant and equipment, net	3,404	5,409
<b>TOTAL ASSETS</b>	<b>\$ 204,348</b>	<b>\$ 400,680</b>
<b>LIABILITIES</b>		
Accruals	\$ 11,451	\$ 13,239
Amount due to a director	459,860	487,991
Amount due to Enigma BVI	1,000,000	1,000,000
<b>TOTAL LIABILITIES</b>	<b>\$ 1,471,311</b>	<b>\$ 1,501,230</b>

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Revenues	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (79,765)	\$ (79,346)	\$ (230,161)	\$ (234,713)

	For the nine months ended September 30,	
	2020	2019
Net cash used in operating activities	\$ (1,155)	\$ (94,720)
Net cash provided by (used in) investing activities	111	(64)
Net cash provided by financing activities	803	93,569

*OBON Thailand*

OBON Thailand is owned 90.9% by Ms. Chanikarn Lertchawalitanon, 0.1% by Wanee Watcharakangka, and 9.0% by Mr. Ratanaphon Wongnapachant. 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 the VIE. As a result of such evaluation, management concluded that OBON BVI is the primary beneficiary of its consolidated VIE.

OBON Thailand was established as a VIE for the Company's business expansion and development in Thailand, which imposes certain restrictions on foreign invested companies. The Company consolidates in its consolidated financial statements of the VIE of which the Company is the primary beneficiary.

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

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Cash at bank and on hand	\$ 34,441	\$ 687,008
Accounts receivable	3,594	-
Other receivables	13,038	12,160
Prepayments and deposits	206,208	110,084
Amount due from a director	-	124
Deposits paid for acquisition of property, plant and equipment	304,086	322,689
Property, plant and equipment, net	120,091	22,050
<b>TOTAL ASSETS</b>	<b>\$ 681,458</b>	<b>\$ 1,154,115</b>
<b>LIABILITIES</b>		
Accruals	\$ 25,790	\$ 35,089
Short-term loan	855,914	865,625
Amounts due to fellow subsidiaries	166,666	167,515
<b>TOTAL LIABILITIES</b>	<b>\$ 1,048,370</b>	<b>\$ 1,068,229</b>

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Revenues	\$ 1,575	\$ -	\$ 3,489	\$ -
Net loss	\$ (158,862)	\$ (16,920)	\$ (448,432)	\$ (18,843)

	For the nine months ended September 30,	
	2020	2019
Net cash used in operating activities	\$ (550,466)	\$ (5,635)
Net cash used in investing activities	(108,414)	(1,208)
Net cash provided by financing activities	117	328,742

**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	5
Software	5
Leasehold improvements	Remaining period of the leases

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, 2020 and December 31, 2019.

**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.

*Provision of services*

Revenue from services is measured based on the usage of the Company's WiFi network devices and facilities and is recognized when the services are rendered. In accordance with the Company's service plan terms, service payments are generally due on a monthly basis.

The Company has not occurred any costs to obtain contracts, and does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Below is the summary presenting the Company's revenues disaggregated by products and services and timing of revenue recognition:

	For Three Months Ended September 30,		For Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Revenue by recognition over time vs point in time</b>				
Revenue by recognition over time	\$ 1,575	\$ -	\$ 3,489	\$ -
Revenue by recognition at a point in time	-	-	-	-
	<u>\$ 1,575</u>	<u>\$ -</u>	<u>\$ 3,489</u>	<u>\$ -</u>

### Leases

Effective with adoption of Accounting Standards Update No. 2016-02 (ASU 2016-02), Leases (the new lease standard) on January 1, 2019, the Company determines if an arrangement is a lease at inception. Operating lease right-of-use (ROU) assets and liabilities are recognized at commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As most of the Company's leases do not provide an implicit rate, it uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company's incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise such options.

Operating leases are included in operating lease right-of-use assets, operating lease liabilities, current and operating lease liabilities, non-current on the Company's consolidated balance sheets.

### Foreign Currency and Foreign Currency Translation

The functional currency of the Company and its subsidiaries is US\$. The Company's VIEs with operations in Thailand use their respective local currency, Thai Baht ("THB"), as their 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, 2020	THB31.5700 to \$1
December 31, 2019	THB29.7500 to \$1
Income statement and cash flows items	
For the nine months ended September 30, 2020	THB31.5287 to \$1
For the nine months ended September 30, 2019	THB31.3005 to \$1

### Research and Development

Research and development costs are paid to Digiwork Korea, which is providing research and development services to Digiwork commencing from March 31, 2017 and ending on December 31, 2020. Research and development costs are recognized in general and administrative expenses and expensed as incurred.

Research and development expense were \$57,226 and \$60,228 for the three months ended September 30, 2020 and 2019, respectively; and \$170,747 and \$177,211 for the nine months ended September 30, 2020 and 2019, 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 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,	
	2020	2019	2020	2019
Net loss attributable to ordinary stockholders of IWEB, Inc.	\$ (273,205)	\$ (123,051)	\$ (910,054)	\$ (547,721)
Weighted average number of common shares outstanding – basic and diluted	40,306,211	40,197,751	40,276,127	40,197,751
Basic and diluted loss per share	\$ (0.01)	\$ -*	\$ (0.02)	\$ (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 attributable to ordinary stockholders of IWEB, Inc. for the three and nine months ended September 30, 2020 and 2019 and the weighted average number of ordinary shares outstanding.

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.

### 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.

### **New Accounting Pronouncements**

#### *Recent Adopted Accounting Standards*

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for Level 1, Level 2 and Level 3 instruments in the fair value hierarchy. The guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with early adoption permitted for any eliminated or modified disclosures. The Company applied the new standard beginning January 1, 2020.

#### *Recently issued accounting pronouncements not yet adopted*

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. Adoption of the ASUs is on a modified retrospective basis. As a smaller reporting company, the standard will be effective for the Company for interim and annual reporting periods beginning after December 15, 2022. The Company is currently evaluating the impact that the standard will have on its condensed consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, Income Taxes, and clarifies certain aspects of the current guidance to promote consistent application among reporting entities. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years, with early adoption permitted. Upon adoption, the Company must apply certain aspects of this standard retrospectively for all periods presented while other aspects are applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The Company is evaluating the impact this update will have on its financial statements.

### **NOTE 3 - BALANCES WITH RELATED PARTIES**

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Due from shareholders	\$ 1,250	\$ 1,250
Due to directors		
Mr. Ratanaphon Wongnapachant	\$ 85,580	\$ 163,319
Mr. Wai Hok Fung	78,205	44,872
	<u>\$ 163,785</u>	<u>\$ 208,191</u>

The balances with shareholders and directors detailed above as of September 30, 2020 and December 31, 2019 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, 2020</u>	<u>December 31, 2019</u>
Office and computer equipment	\$ 137,839	\$ 32,958
Leasehold improvements	51,000	-
Software	2,808	1,566
Less: Accumulated depreciation	(68,151)	(7,065)
	<u>\$ 123,496</u>	<u>\$ 27,459</u>

Depreciation expenses charged to the statements of comprehensive loss for the three months ended September 30, 2020 and 2019 were \$31,839 and \$751, respectively; for the nine months ended September 30, 2020 and 2019 were \$61,601 and \$2,216, respectively.

#### NOTE 5 - COMMON STOCK

On March 13, 2020, the Company entered into a series of Securities Purchase Agreements with certain investors, pursuant to which the Company sold to the such investors in private placements for an aggregate of 108,460 shares of the Company's common stock, par value \$0.0001 per share, at a purchase price of \$2.00 per share for an aggregate offering price of \$216,920 (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.

#### NOTE 6 -SHORT-TERM LOAN

As of September 30, 2020 and December 31, 2019, short-term loan represents a loan of \$855,914 and \$865,625 advanced from an unrelated party to the Company. The loan is unsecured, bearing 30% interest per annum and repayable by November 2020. Interest of \$21,632 and \$25,613 was accrued (included in accruals) as of September 30, 2020 and December 31, 2019, respectively.

#### NOTE 7 - INCOME TAXES

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

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Tax jurisdictions from:				
- Local	\$ (10,231)	\$ (9,991)	\$ (148,284)	\$ (140,526)
- Foreign, representing:				
BVI	(72,007)	(3,727)	(217,707)	(104,037)
HK	-	(25,919)	-	(78,936)
Thailand	(238,626)	(96,267)	(678,593)	(253,556)
Loss before income taxes	<u>\$ (320,864)</u>	<u>\$ (135,904)</u>	<u>\$ (1,044,584)</u>	<u>\$ (577,055)</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 three and nine months ended September 30, 2020 and 2019.

*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) (\$158,378) 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 (\$950,269) in any accounting period, is subject to CIT in Thailand at the following reduced rates:

Net profit	
Nil – THB300,000 (\$9,503)	0%
THB300,000 – THB3,000,000 (\$95,027)	15%
Over THB3,000,000 (\$95,027)	20%

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Loss before income taxes	\$ (320,864)	\$ (135,904)	\$ (1,044,584)	\$ (577,055)
Statutory income tax rate	21%	21%	21%	21%
Income tax credit computed at statutory income tax rate	(67,382)	(28,540)	(219,363)	(121,182)
Reconciling items:				
Non-deductible expenses	14,656	13,281	42,739	34,759
Tax effect of tax exempt entity	15,121	783	45,718	21,848
Rate differential in different tax jurisdictions	2,386	2,129	6,786	6,088
Valuation allowance on deferred tax assets	35,219	12,347	124,120	58,487
Total tax	\$ -	\$ -	\$ -	\$ -

(b) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of September 30, 2020 and December 31, 2019 are presented below

	September 30, 2020	December 31, 2019
Deferred tax assets:		
Net operating loss carryforwards:		
- United States of America	\$ 186,615	\$ 155,475
- Thailand	240,114	156,264
	426,729	311,739
Less: Valuation allowance	(426,729)	(311,739)
	\$ -	\$ -

The Company has accumulated net operating loss carryovers of approximately \$888,642 and \$740,358 as of September 30, 2020 and December 31, 2019, 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, 2020, and December 31, 2019, the entities in Thailand had net operating loss carry forwards of \$1,200,571 and \$781,318, respectively, which will expire in various years through 2024.

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 8 - SEGMENT INFORMATION

The Company's segments are business units that offer different products and services and are reviewed separately by the chief operating decision maker (the "CODM"), or the decision-making group, in deciding how to allocate resources and in assessing performance. The Company's CODM is the Company's Chief Executive Officer.

The Company used to have one reportable segment, being technology development and provision of coding services in various industries and markets. Starting from the last quarter of fiscal 2019, there is one additional segment, consisting of the leasing and installation of network systems, WiFi devices and related accessories.

For the three months ended September 30, 2020	Technology development and services provider specializing in coding services in various industries and markets	Lease, install and provision of network systems, WiFi devices and related accessories and services	Corporate unallocated (note)	Consolidated
Revenues	\$ -	\$ 1,575	\$ -	\$ 1,575
Cost of revenue	-	(542)	-	(542)
Gross profit	-	1,033	-	1,033
General and administrative expenses	(129,791)	(69,687)	(10,231)	(209,709)
Loss from operations	(129,791)	(68,654)	(10,231)	(208,676)
Finance cost	-	(64,493)	-	(64,493)
Other expense	(21,981)	(25,714)	-	(47,695)
Loss before income tax	(151,772)	(158,861)	(10,231)	(320,864)
Income tax	-	-	-	-
Net loss	(151,772)	(158,861)	(10,231)	(320,864)

For the three months ended September 30, 2019	Technology development and services provider specializing in coding services in various industries and markets	Lease, install and provision of network systems, WiFi devices and related accessories and services	Corporate unallocated (note)	Consolidated
Revenues	\$ -	\$ -	\$ -	\$ -
Cost of revenue	-	-	-	-
Gross profit	-	-	-	-
General and administrative expenses	(31,466)	(97,734)	(9,992)	(139,192)
Loss from operations	(31,466)	(97,734)	(9,992)	(139,192)
Finance cost	-	-	-	-
Other income (expense)	3,333	(45)	-	3,288
Loss before income tax	(28,133)	(97,779)	(9,992)	(135,904)
Income tax	-	-	-	-
Net loss	(28,133)	(97,779)	(9,992)	(135,904)

For the nine months ended September 30, 2020	Technology development and services provider specializing in coding services in various industries and markets	Lease, install and provision of network systems, WiFi devices and related accessories and services	Corporate unallocated (note)	Consolidated
Revenues	\$ -	\$ 3,489	\$ -	\$ 3,489
Cost of revenue	-	(1,076)	-	(1,076)
Gross profit	-	2,413	-	2,413
General and administrative expenses	(390,499)	(192,800)	(148,284)	(731,583)
Loss from operations	(390,499)	(190,387)	(148,284)	(729,170)
Finance cost	-	(192,746)	-	(192,746)
Other expenses	(57,370)	(65,298)	-	(122,668)
Loss before income tax	(447,869)	(448,431)	(148,284)	(1,044,584)
Income tax	-	-	-	-
Net loss	(447,869)	(448,431)	(148,284)	(1,044,584)
Total assets				
As of September 30, 2020	\$ 206,630	\$ 681,459	\$ 421	\$ 888,510
As of December 31, 2019	\$ 597,087	\$ 1,153,991	\$ 421	\$ 1,751,499

For the nine months ended September 30, 2019	Technology development and services provider specializing in coding services in various industries and markets	Lease, install and provision of network systems, WiFi devices and related accessories and services	Corporate unallocated (note)	Consolidated
Revenues	\$ -	\$ -	\$ -	\$ -
Cost of revenue	-	-	-	-
Gross profit	-	-	-	-
General and administrative expenses	(392,265)	(97,734)	(140,526)	(630,525)
Loss from operations	(392,265)	(97,734)	(140,526)	(630,525)
Finance cost	-	-	-	-
Other income (expense)	53,515	(45)	-	53,470
Loss before income tax	(338,750)	(97,779)	(140,526)	(577,055)
Income tax	-	-	-	-
Net loss	(338,750)	(97,779)	(140,526)	(577,055)
Total assets				
As of September 30, 2019	\$ 864,885	\$ 488,410	\$ 1,501	\$ 1,354,796
As of December 31, 2018	\$ 1,525,755	\$ -	\$ 421	\$ 1,526,176

Note: The Company does not allocate its assets located and expenses incurred outside Hong Kong and Thailand to its reportable segments because these assets and activities are managed at a corporate level.

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

## NOTE 9 - COMMITMENTS AND CONTINGENCIES

### *Lease Commitments*

#### The Company as lessee

The Company's rental expense was \$32,635 and \$38,165 for the three months ended September 30, 2020 and 2019, respectively; and was \$98,062 and \$105,045 for the nine months ended September 30, 2020 and 2019, respectively.

On October 1, 2019, the Company entered into a lease for office space in Hong Kong for the period of one year, at HKD55,000 (approximately \$7,051) per month. On October 1, 2020, the lease was renewed for the period of one year, at HKD55,000 (approximately \$7,051) per month.

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 (\$4,027) per month. The Company early terminated the lease effective in July 2019.

On August 1, 2019 and OBON Thailand entered into a rental agreement with Mr. Thanawat Wongnapachant, brother of the Company's CEO, to lease an office space from Mr. Thanawat Wongnapachant for a period of twelve months at THB50,000 (\$1,584) per month. On August 1, 2020, the rental agreement was renewed for a period of twelve months at THB50,000 (\$1,584) per month.

On November 1, 2019, OBON Thailand entered into an additional rental agreement with Mr. Thanawat Wongnapachant, brother of the Company's CEO, to lease an office space property from Mr. Thanawat Wongnapachant for a period of twelve months at THB70,000 (\$2,217) per month.

For the three and nine months ended September 30, 2020, the Company paid rental amounts of \$11,480 and \$34,254, respectively, to Mr. Thanawat Wongnapachant that are included in General and administrative expenses.

As of September 30, 2020, all the outstanding leases are short-term leases. The total minimum future lease payments are \$18,055 payable in the twelve months ending September 30, 2021.

### *Capital Commitments*

As of September 30, 2020, the Company had the following contracted capital commitments:

	<u>September 30, 2020</u>
For purchases of equipment, payable in the twelve months ending September 30, 2021	<u>\$ 1,042,320</u>

### *Employment Agreement*

On October 1, 2019, Enigma BVI entered into a three-year employment agreement with Hok Fung Wai, the president of the Company, to serve as Enigma BVI's general manager from October 1, 2019 to October 1, 2022. Enigma BVI may, in its absolute discretion, terminate the employment agreement, with one month notice or for cause. The agreement provides Mr. Wai a monthly salary of HK\$45,000 (approximately \$5,769). During the three and nine months ended September 30, 2020, salaries paid to Mr. Wai totaled \$17,308 and \$57,693.

## NOTE 10 - THAILAND AND HONG KONG CONTRIBUTION PLANS

In accordance with the rules and regulations of Thailand, the employees of the VIEs 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 VIEs has no further obligation for the payment of retirement benefits to its employees. For the three months ended September 30, 2020 and 2019, the VIEs contributed a total of \$345 and \$163, respectively; for the nine months ended September 30, 2020 and 2019, the VIE contributed a total of \$1,148 and \$562, respectively, to this plan.

The Company also makes payments to a defined contribution plan for the benefit of employees employed in Hong Kong. Amounts contributed during the three months ended September 30, 2020 and 2019 were \$577 and \$164, respectively; Amounts contributed during the nine months ended September 30, 2020 and 2019 were \$1,731 and \$1,700, respectively.

## NOTE 11 - CERTAIN RISKS AND CONCENTRATIONS

### Credit risk

At September 30, 2020 and December 31, 2019, the Company's cash and cash equivalents included bank deposits in accounts maintained in Thailand. The Company does not experience 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 VIEs with operations in Thailand use their respective local currency, THB, as their functional currency. Although a majority of their total revenues, their payroll and other operating expenses are incurred and paid in Thai baht, the payment of R&D services provided by Digiwork Korea is required to be made in the U.S. dollar. As of September 30, 2020, and December 31, 2019, our VIE in Thailand owed Enigma BVI \$1,000,000 for such R&D services fee paid by Enigma BVI.

## **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, 2019, 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. (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 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.

Digiwork (Thailand) Co., Ltd. ("Digiwork") was established and incorporated in Thailand on November 24, 2016. The authorized capital of Digiwork is THB5,000,000 (approximately \$158,378), 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 \$950) 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 S-Mark Co. Ltd., a shareholder of Digiwork or Digiwork Co., Ltd. ("Digiwork Korea"), a wholly owned subsidiary of S-Mark. 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. In May 2018, the final payment of \$1,000,000 was paid to Digiwork Korea. Towards the end of 2019, management started discussions with Digiwork Korea to review the scope of the research and development with respect of the coding technology. On March 5, 2020, the parties entered into Amendment No. 2 to the Amended and Restated Joint Business Agreement, pursuant to which Digiwork Korea agreed to provide research and development services to Digiwork until December 31, 2020. Upon expiration of its services, Digiwork Korea shall repay \$150,000 to Digiwork. Prepaid R&D payments to Digiwork Korea were \$260,734 and \$391,274 as of September 30, 2020 and December 31, 2019, respectively.

Digiwork Korea also agreed to grant Digiwork full and exclusive licenses to any new launches, developments, improvements and any other intellectual property rights of coding technology developed by Digiwork Korea until December 31, 2020. 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.

On August 17, 2017, the Company filed a Certificate of Amendment (the "Certificate") with the Secretary of State for the State of Nevada to amend its 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, effective immediately (the "Amendment"). The Amendment was approved by the Company's Board of Directors (the "Board") and by shareholders holding a majority of the Company's issued and outstanding capital stock effective on June 28, 2017.

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.

During 2019, One Belt One Network Holdings Limited, a British Virgin Island company (the "OBON BVI") and 70% owned subsidiary of IWEB, Inc., OBON Corporation Company Limited, a Thailand Company (the "OBON Thailand") and the shareholders of OBON Thailand (namely, Mr. Ratanaphon Wongnapachant, Mr. Waneer Watcharakangka and Ms. Chanikarn Lertchawalitanon, the "OBON Thailand Shareholders") entered into the following agreements, or collectively, the "Variable Interest Entity or VIE Agreements," pursuant to which OBON BVI has contractual rights to control and operate the business of OBON Thailand (the "VIE"). OBON Thailand was established as our VIE for our business expansion and development in Thailand, which imposes certain restrictions on foreign invested companies.

The VIE Agreements are as follows:

1. Exclusive Technology Consulting and Service Agreement by and between OBON BVI and OBON Thailand. Pursuant to the Exclusive Technology Consulting and Service Agreement, OBON BVI agreed to act as the exclusive consultant of OBON Thailand and provide technology consulting and services to OBON Thailand. In exchange, OBON Thailand agreed to pay OBON BVI a technology consulting and service fee, the amount of which is decided by OBON BVI on the basis of the work performed and commercial value of the services, and the fee amount is to be equivalent to the amount of net profit before tax of OBON Thailand on a quarterly basis; provided that the minimum amount of which shall be no less than THB30,000 (approximately \$950) per quarter. Without the prior written consent of OBON BVI, OBON Thailand 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 OBON BVI's sole and exclusive property. The term of this agreement will expire on June 3, 2029 and may be extended unilaterally by OBON BVI with OBON BVI's written confirmation prior to the expiration date. OBON Thailand cannot terminate the agreement early unless OBON BVI commits fraud, gross negligence or illegal acts, or becomes bankrupt or winds up.
2. Exclusive Purchase Option Agreements by and among OBON BVI, OBON Thailand and each of OBON Thailand Shareholders. Pursuant to the Exclusive Purchase Option Agreements, each of OBON Thailand Shareholders granted to OBON BVI and any party designated by OBON BVI the exclusive right to purchase at any time during the term of this agreement all or part of the equity interests in OBON Thailand, or the "Equity Interests," at a purchase price equal to the registered capital paid by each of OBON Thailand Shareholders 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 a power of attorney executed by each of OBON Thailand Shareholders, each of them irrevocably authorized any person appointed by OBON BVI to exercise all shareholder rights, including but not limited to voting on his/her behalf on all matters requiring approval of OBON Thailand's shareholder, disposing of all or part of the shareholder's equity interest in OBON Thailand, and electing, appointing or removing directors and executive officers. The person designated by OBON BVI is entitled to dispose of dividends and profits on the equity interest without reliance on any oral or written instructions of OBON Thailand Shareholders. The power of attorney will remain in force for so long as each of OBON Thailand Shareholders remains the shareholder of OBON Thailand. Each of OBON Thailand Shareholders has waived all the rights which have been authorized to OBON BVI's designated person under power of attorney.
3. Equity Pledge Agreements by and among OBON BVI, OBON Thailand and each of OBON Thailand Shareholders. Pursuant to the Equity Pledge Agreements, each of OBON Thailand Shareholders pledged all of the Equity Interests to OBON BVI to secure the full and complete performance of the obligations and liabilities on the part of OBON Thailand and him/her under this and the above contractual arrangements. If OBON Thailand or OBON Thailand Shareholders breaches their contractual obligations under these agreements, then OBON BVI, as pledgee, will have the right to dispose of the pledged equity interests. Each OBON Thailand Shareholders agrees that, during the term of the Equity Pledge Agreement, he/she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests, and he/she also agrees that OBON BVI's rights relating to the equity pledge should not be prejudiced by the legal actions of the shareholder of OBON Thailand, his successors or designees. During the term of the equity pledge, OBON BVI has the right to receive all of the dividends and profits distributed on the pledged equity. The Equity Pledge Agreement will terminate on the second anniversary of the date when OBON Thailand and OBON Thailand Shareholders have completed all their obligations under the contractual agreements described above.

As a result of the above contractual arrangements, OBON BVI has substantial control over OBON Thailand's daily operations and financial affairs, election of its senior executives and all matters requiring shareholder approval. Furthermore, as the primary beneficiary of OBON Thailand, the Company, via OBON BVI, is entitled to consolidate the financial results of OBON Thailand in its own consolidated financial statements.

On September 6, 2019, OBON Thailand and a Variable Interest Entity or VIE of OBON BVI, which is a 70% owned subsidiary of IWEB, Inc. entered into a Networking and WiFi Devices Installation Agreement (the "Agreement") with CatBuzz TV Company Limited, a Thailand Company ("CatBuzz TV").

Pursuant to the Agreement, OBON Thailand will lease and install network systems, WiFi devices and related accessories for CatBuzz TV and provide maintenance services. CatBuzz TV agrees to pay OBON Thailand compensation for the network systems, WiFi devices and the accessories and maintenance services with a monthly fee based upon the location and type of device, which fees range from 600 Baht (approximately \$19) to 2,500 Baht (approximately \$79) per device per month.

This Agreement has a term of 5 (five) years from the execution date of the Agreement. Upon the end of the term, if not agreed otherwise, both parties agree to extend the term of the Agreement for additional 2 (two) year terms, under the same terms or according to mutually agreeable terms determined by both parties in the future.

In December 2019, a novel strain of coronavirus, causing a disease referred to as COVID-19, was reported to have surfaced in Wuhan, China, which has spread rapidly to many parts of the world, including Thailand and the U.S. In March 2020, the World Health Organization declared the COVID-19 a pandemic. The pandemic has resulted in quarantines, travel restrictions, and the temporary closure of office buildings and facilities in Thailand.

Substantially all of our revenues are generated in Thailand. The Company's business and services and results of operations have been adversely affected and could continue to be adversely affected by the COVID-19 pandemic. In response to the evolving dynamics related to the COVID-19 outbreak, the Company is following the guidelines of local authorities as it prioritizes the health and safety of its employees, contractors, suppliers and business partners. Our office in Thailand has been closed and all of the Company's employees in Thailand have been working from home since March 23, 2020 until May 7, 2020. Since May 8, 2020, our office in Thailand has been reopened and in normal operation. The quarantines, travel restrictions, and the temporary closure of office buildings have negatively impacted our business including our wifi installation project. Our suppliers have negatively been affected, and could continue to be negatively affected in their ability to supply and ship wifi related devices and parts to us if there is any further outbreak or resurgence of COVID-19. Our customers that have been negatively impacted by the outbreak of COVID-19 may reduce their budgets to purchase our products and services, which may materially adversely impact our revenue. Some of our customers may require additional time to pay us or fail to pay us at all, which could significantly increase the amount of accounts receivable and require us to record additional allowances for doubtful accounts. The outbreak of COVID-19 has disrupted our supply chain and logistics and caused shortage of active installation workers and service providers for our project and might continue to impose negative impact to our business operations. Some of our customers, contractors, suppliers and other business partners are small and medium-sized enterprises (SMEs), which may not have strong cash flows or be well capitalized, and may be vulnerable to an epidemic outbreak and slowing macroeconomic conditions. If the SMEs that we work with cannot weather the COVID-19 and the resulting economic impact, or cannot resume business as usual after a prolonged outbreak, our revenues and business operations may be materially and adversely impacted.

The global economy has also been materially negatively affected by the COVID-19 and there is continued severe uncertainty about the duration and intensity of its impacts. The Thailand and global growth forecast is extremely uncertain, which would seriously affect investment in infrastructures including building wifi network and related installation business.

While future economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common stock.

Further, as we do not have access to a revolving credit facility, there can be no assurance that we would be able to secure commercial debt financing in the future in the event that we require additional capital. We currently believe that our financial resources will be adequate to see us through the outbreak. However, in the event that we do need to raise capital in the future, outbreak-related instability in the securities markets could adversely affect our ability to raise additional capital.

Consequently, our results of operations have been adversely, and may be materially, affected, to the extent that the COVID-19 harms the Thailand and global economy. Any potential impact to our results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the COVID-19 or treat its impact, almost all of which are beyond our control.

## 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 as amended, 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.

Pursuant to the JBA as amended, Digiwork was originally obligated to pay a total of \$10,000,000 to S-Mark Co., Ltd., or Digiwork Co., Ltd. (“Digiwork Korea”, a 100% wholly owned subsidiary of S-Mark Co., Ltd., a shareholder of Digiwork and a major shareholder of the Company) for research and development services and exclusive licenses to any new launches, developments, improvements and any other intellectual property rights developed by Digiwork Korea (the “R&D Services”). The territories for such licenses are Thailand, Vietnam, Myanmar, Laos, Cambodia, United Arab Emirates and Qatar. 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 the R&D Services to Digiwork for a period of five years commencing from March 31, 2017. Towards the end of 2019, management started discussions with Digiwork Korea to review the scope of the research and development with respect of the coding technology. On March 5, 2020, the parties to the JBA entered into Amendment No. 2 to the Amended and Restated Joint Business Agreement, pursuant to which Digiwork Korea agreed to provide the R & D Services to Digiwork until December 31, 2020.

Digiwork is a technology development and services provider specializing in coding services in various industries and markets. Digiwork’s technology enables governments and 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

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. The technical services are currently provided by contracted technicians from Digiwork Korea or unrelated third parties.

OBON Thailand leases and installs network systems, WiFi devices and related accessories for CatBuzz TV (“CAT”) and provide maintenance services. CAT is a government owned internet network service provider and we are expected to provide installation and operate 130,000 WiFi access points for CAT in Thailand and charge rental fees for our network system and WiFi devices.

## Results of Operations

### Comparison of Three Months ended September 30, 2020 and 2019:

The following table sets forth key components of our results of operations for the three months ended September 30, 2020 and 2019:

	For the three months ended September 30,	
	2020	2019
Revenue	\$ 1,575	\$ -
Cost of revenue	(542)	-
General and administrative expenses	(209,709)	(139,192)
Finance cost	(64,493)	-
Other (expenses) income	(47,695)	3,288
Loss before income tax	(320,864)	(135,904)
Income tax benefit	-	-
Net loss	\$ (320,864)	\$ (135,904)

**Revenues and cost of revenue.** Revenue is principally comprised of provision of WiFi network devices and facilities services, 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").

OBON Thailand's revenue for the three months ended September 30, 2020 of \$1,575 was derived from a single customer, which individually accounted for 100% of the Company's revenues. We did not recognize any revenue or associated cost of revenues for the three months ended September 30, 2019.

**General and administrative expenses.** Our general and administrative expenses for the three months ended September 30, 2020 were \$209,709, including costs associated with our personnel of \$57,970, R&D expenses of \$57,226, audit fee and professional fees of \$10,231 and office rentals of \$32,635.

Our general and administrative expenses for the three months ended September 30, 2019 were \$139,192, including costs associated with our personnel of \$11,184, R&D expenses of \$60,228, audit fee and professional fees of \$11,391, travelling expenses of \$2,690 and office rentals of \$38,165.

**Finance cost.** In the fourth quarter of 2019, OBON Thailand obtained a short-term loan of \$0.9 million, repayable by November 2020. Finance cost was \$64,493 for the three months ended September 30, 2020.

**Other (expenses) income.** Our other expenses for the three months ended September 30, 2020 was 47,695, and other income for the three months ended September 30, 2019 was \$3,288, which was partially related to exchange rate 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 2018, the final payment of \$1,000,000 was paid by Enigma BVI to Digiwork Korea in connection with the agreement between those entities.

**Net loss.** As a result of the above, we recorded a net loss of \$320,864 and \$135,904 for the three months ended September 30, 2020 and 2019, respectively.

**Comparison of Nine Months ended September 30, 2020 and 2019:**

The following table sets forth key components of our results of operations for the nine months ended September 30, 2020 and 2019:

	For the nine months ended September 30,	
	2020	2019
Revenue	\$ 3,489	\$ -
Cost of revenue	(1,076)	-
General and administrative expenses	(731,583)	(630,525)
Finance cost	(192,746)	-
Other (expense) income	(122,668)	53,470
Loss before income tax	(1,044,584)	(577,055)
Income tax	-	-
Net loss	\$ (1,044,584)	\$ (577,055)

**Revenues and cost of revenue.** Revenue is principally comprised of provision of WiFi network devices and facilities services, 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").

OBON Thailand's revenue for the nine months ended September 30, 2020 of \$3,489 was derived from a single customer, which individually accounted for 100% of the Company's revenues. We did not recognize any revenue or associated cost of revenues for the nine months ended September 30, 2019.

**General and administrative expenses.** Our general and administrative expenses for the nine months ended September 30, 2020 was \$731,583, including costs associated with our personnel of \$181,592, R&D expenses of \$170,747, audit fee and professional fees of \$148,284 and office rentals of \$98,062.

Our general and administrative expenses for the nine months ended September 30, 2019 was \$630,525, including costs associated with our personnel of \$73,771, R&D expenses of \$177,211, audit fee and professional fees of \$160,933, travelling expenses of \$78,057 and office rentals of \$105,045.

**Finance cost.** In the fourth quarter of 2019, OBON Thailand obtained a short-term loan of \$0.9 million, repayable by November 2020. Finance cost was \$192,746 for the nine months ended September 30, 2020.

**Other (expense) income.** Our other expense for the nine months ended September 30, 2020 was \$122,668, and other income for the nine months ended September 30, 2019 was \$53,470, which was partially 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 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, 2020 and December 31, 2019, our VIE in Thailand owed Enigma BVI \$1,000,000 for such R&D service fees paid by Enigma BVI.

**Net loss.** As a result of the above, we recorded a net loss of \$1,044,584 and \$577,055 for the nine months ended September 30, 2020 and 2019, respectively.

### Liquidity and Capital Resources

#### Working Capital

	September 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 36,009	\$ 883,812
Total current assets	460,928	1,401,351
Total assets	888,510	1,751,499
Total liabilities	1,059,276	1,153,983
Accumulated deficit	(3,231,637)	(2,321,583)
Total IWEB, Inc. stockholders' (deficit) equity	(32,230)	600,212

#### Going Concern

We have a history of recurring net losses and a significant accumulated deficit. At September 30, 2020, we had an accumulated deficit of \$3,231,637 and a net working capital deficiency of \$598,348. These conditions raise substantial doubt about our ability to continue as a going concern. The report from our independent registered public accounting firm for the year ended December 31, 2019 included an explanatory paragraph in respect of the substantial doubt of our ability to continue as a going concern. Our plan for continuing as a going concern included improving our profitability, and obtaining additional debt financing, loans from existing directors and shareholders and private placements of capital stock for additional funding to meet our operating needs. There can be no assurance that we will be successful in our plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

The following table provides detailed information about our net cash flow for the nine months ended September 30, 2020 and 2019:

	For the nine months ended September,	
	2020	2019
Net cash used in operating activities	\$ (850,315)	\$ (623,400)
Net cash used in investing activities	(159,303)	(1,272)
Net cash provided by financing activities	200,640	467,183
Effect of exchange rate changes on cash and cash equivalents	(38,825)	7,579
Net decrease in cash and cash equivalents	\$ (847,803)	\$ (149,910)

#### Operating Activities

Net cash used in operating activities was \$850,315 for the nine months ended September 30, 2020, which was mainly due to our net loss of \$1,044,584, partially offset by a decrease of \$68,142 in prepayments and deposits.

Net cash used in operating activities was \$623,400 for the nine months ended September 30, 2019, which was mainly due to our net loss of \$577,055, partially offset by cash inflow of \$40,121 resulting from a decrease in prepayments and deposits.

### Investing Activities

Net cash used in investing activities was \$159,303 and \$1,272 for the nine months ended September 30, 2020 and 2019, respectively. We used \$159,414 and \$1,272 on purchases of property, plant and equipment, and received \$111 and \$nil from disposal of property, plant and equipment for the nine months ended September 30, 2020 and 2019, respectively.

### Financing Activities

Net cash provided by financing for the nine months ended September 30, 2020 and 2019 were \$200,640 and \$467,183, respectively. For the nine months ended September 30, 2020, we received \$216,920 from issuance of our common stock, received advances of \$33,450 from our director and repaid \$49,730 to our director. For the nine months ended September 30, 2019, we received advances of \$138,441 from our directors, and \$328,742 from VIE contributions.

### Contractual Obligations and Commercial Commitments

We had the following contractual obligations and commercial commitments as of September 30, 2020:

Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Amounts due to directors	\$ 163,785	\$ 163,785	\$ -	\$ -	\$ -
Short-term loan, including accrued interest	877,547	877,547	-	-	-
Future interest payment on short-term loan	35,878	35,878	-	-	-
Capital commitments for purchase of equipment	1,042,320	1,042,320	-	-	-
Lease	18,055	18,055	-	-	-
TOTAL	<u>\$ 2,137,585</u>	<u>\$ 2,137,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### 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 owned by Mr. Ratanaphon Wongnapachant, Ms. Chanikarn Lertchawalitanon and S-Mark Co. Ltd. (a KOSDAQ-listed corporation). 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 its consolidated VIE.

OBON Thailand is owned by Ms. Chanikarn Lertchawalitanon, Mr. Wanee Watcharakangka, and Mr. Ratanaphon Wongnapachant. 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, OBON BVI controls the shareholders' voting interests in the VIE. As a result of such evaluation, management concluded that OBON BVI is the primary beneficiary of its consolidated VIE.

Owing primarily to Thailand's legal restrictions on foreign ownership, we currently conduct the coding and wifi installation service business in Thailand through Digiwork and OBON Thailand, which we effectively control through a series of contractual arrangements. We consolidate in our financial statements those of the VIEs, of which we are the primary beneficiary.

### **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 interim 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 interim Chief Financial Officer concluded that, as of September 30, 2020, 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, 2020, 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 their bank accounts.
3. We did not implement appropriate information technology controls – As of September 30, 2020, 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.

Due to our small size and the early stage of our business, segregation of duties may not always be possible and may not be economically feasible. We have limited capital resources and have given priority in the use of those resources to our business development efforts. As a result, we have not been able to take steps to improve our internal controls over financial reporting during the quarter ended September 30, 2020. However, we continue to evaluate the effectiveness of internal controls and procedures on an ongoing basis. Once our operations grow and become more complex, our Board of Directors will take steps to remediate these material weaknesses as soon as practicable:

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 2021.
2. We plan, as funding permits, to appoint additional personnel with U.S. GAAP and SEC reporting experience to assist with the preparation of our 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, 2020, 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.**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#"><u>31.1†</u></a>	<a href="#"><u>Certifications of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>31.2†</u></a>	<a href="#"><u>Certifications of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>32.1‡</u></a>	<a href="#"><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></a>
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

**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 12, 2020**

**IWEB, Inc.**

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

EXHIBIT 31.1

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 12, 2020

/s/ Ratanaphon Wongnapachant  
Ratanaphon Wongnapachant  
Chief Executive Officer  
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Direk Chantri, 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 12, 2020

/s/ Direk Chantri

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Direk Chantri

Interim Chief Financial Officer

(Principal Financial and Accounting Officer)

EXHIBIT 32.1

**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, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ratanaphon Wongnapachant, Chief Executive Officer of the Company, and Direk Chantri, interim 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, 2020 (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 12, 2020

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

Date: November 12, 2020

By: /s/ Direk Chantri  
Direk Chantri  
Interim 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.