
**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 June 30, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

333-194748

Commission file number

GigWorld Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

45-4742558

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

4800 Montgomery Lane, Suite 210 Bethesda MD

(Address of principal executive offices)

20814

(Zip Code)

301-971-3940

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act: None

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

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

Indicate the number of shares outstanding of each the registrant's classes of common stock, as of the latest practicable date. As of August 4, 2022, there were 506,898,576 shares outstanding of the registrant's common stock \$0.0001 par value.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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PART I FINANCIAL INFORMATION

ITEM 1. INTERIM FINANCIAL STATEMENTS

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GIGWORLD INC. (FORMERLY KNOWN AS HOTAPP BLOCKCHAIN INC.)**CONDENSED CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2022 AND DECEMBER 31, 2021 (UNAUDITED)**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 214,976	\$ 245,780
Accounts receivable	30,720	-
Prepaid expenses and other receivable	9,809	1,870
Investment in Securities	1,215,500	1,950,000
TOTAL CURRENT ASSETS	<u>1,471,005</u>	<u>2,197,650</u>
Property and Equipment, net	4,840	1,713
Other non-current assets	102	102
TOTAL ASSETS	<u><u>\$ 1,475,947</u></u>	<u><u>\$ 2,199,465</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable, other payable and accrued expenses	\$ 36,546	\$ 12,016
Accrued taxes	3,467	7,742
Amount due to related parties	2,456,086	2,383,698
Current liabilities from Discontinued Operations	-	2,593
TOTAL CURRENT LIABILITIES	<u>2,496,099</u>	<u>2,406,049</u>
TOTAL LIABILITIES	<u>2,496,099</u>	<u>2,406,049</u>
STOCKHOLDERS' DEFICIT:		
Preferred stock, \$0.0001 par value, 15,000,000 shares authorized, 0 issued and outstanding as of June 30, 2022 and December 31, 2021	-	-
Common stock, \$0.0001 par value, 1,000,000,000 shares authorized, 506,898,576 shares issued and outstanding, as of June 30, 2022 and December 31, 2021	50,690	50,690
Additional paid-in capital	4,604,191	4,604,191
Accumulated other comprehensive loss	(192,942)	(299,398)
Accumulated deficit	(5,480,457)	(4,560,449)
TOTAL GIGWORLD INC STOCKHOLDERS' DEFICIT	<u>(1,018,518)</u>	<u>(204,966)</u>
NON-CONTROLLING INTERESTS	<u>(1,634)</u>	<u>(1,618)</u>
TOTAL STOCKHOLDERS' DEFICIT	<u>(1,020,152)</u>	<u>(206,584)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u><u>\$ 1,475,947</u></u>	<u><u>\$ 2,199,465</u></u>

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

GIGWORLD INC. (FORMERLY KNOWN AS HOTAPP BLOCKCHAIN INC.)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)

	<u>Three Months Ended June 30, 2022</u>	<u>Three Months Ended June 30, 2021</u>	<u>Six Months Ended June 30, 2022</u>	<u>Six Months Ended June 30, 2021</u>
Revenues:				
Service income – related party	\$ 7,701	\$ -	\$ 7,701	\$ -
	<u>7,701</u>		<u>7,701</u>	
Cost of revenues	<u>(2,792)</u>	<u>-</u>	<u>(2,792)</u>	<u>-</u>
Gross profit	\$ 4,909	\$ -	\$ 4,909	\$ -
Operating expenses:				
Depreciation	\$ 415	\$ -	\$ 580	\$ -
General and administrative	55,243	38,590	158,748	68,062
Total operating expenses	<u>55,658</u>	<u>38,590</u>	<u>159,328</u>	<u>68,062</u>
(Loss) from operations	(50,749)	(38,590)	(154,419)	(68,062)
Other income (loss):				
Interest income	1	1	2	1
Other income	1,022	-	1,022	-
Foreign exchange (loss) gain	(24,769)	4,033	(34,710)	(32,438)
Unrealized (loss) gain on Securities Investment	(279,500)	650,000	(734,500)	650,000
Gain on disposal of a subsidiary	3,218	-	3,218	-
Total other (loss) income	<u>(300,028)</u>	<u>654,034</u>	<u>(764,968)</u>	<u>617,563</u>
(Loss) Income before taxes	(350,777)	615,444	(919,387)	549,501
Income tax provision	-	-	-	-
Net (loss) income from Continuing Operations	\$ (350,777)	\$ 615,444	\$ (919,387)	\$ 549,501
Net income (loss) from Discontinuing Operations, Net of Tax	3	(657)	(648)	(1,313)
Net (loss) attributable to Non-controlling interests	<u>(16)</u>	<u>-</u>	<u>(27)</u>	<u>-</u>
Net (loss) income applicable to common shareholders	\$ (350,758)	\$ 614,787	\$ (920,008)	\$ 548,188
Comprehensive Income (Loss):				
Net (loss) income	\$ (350,774)	\$ 614,787	\$ (920,035)	\$ 548,188
Foreign currency translation gain (loss)	89,537	(3,715)	106,467	59,563
Total comprehensive (loss) income	<u>\$ (261,237)</u>	<u>\$ 611,072</u>	<u>\$ (813,568)</u>	<u>\$ 607,751</u>
Net (loss) income per share - basic and diluted				
Continuing Operations	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
Discontinuing Operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Basic Net (loss) income per share	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
Weighted number of shares outstanding -				
Basic and diluted	506,898,576	506,898,576	506,898,576	506,898,576

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

GIGWORLD INC. (FORMERLY KNOWN AS HOTAPP BLOCKCHAIN INC.)

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)

	<u>Common Shares</u>	<u>Par Value</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Accumulated Deficit</u>	<u>Total GigWorld Inc Stockholders' Deficit</u>	<u>Non-Controlling Interests</u>	<u>Stockholders' Equity (Deficit)</u>
Balance December 31, 2021	506,898,576	\$ 50,690	\$ 4,604,191	\$ (299,398)	\$ (4,560,449)	\$ (204,966)	\$ (1,618)	\$ (206,584)
Net (loss) for the period	-	-	-	-	(569,250)	(569,250)	(11)	(569,261)
Foreign currency translation adjustment	-	-	-	16,924	-	16,924	6	16,930
Balance March 31, 2022	506,898,576	\$ 50,690	\$ 4,604,191	\$ (282,474)	\$ (5,129,699)	\$ (757,292)	\$ (1,623)	\$ (758,915)
Net (loss) for the period	-	-	-	-	(350,758)	(350,758)	(16)	(350,774)
Foreign currency translation adjustment	-	-	-	89,532	-	89,532	5	89,537
Balance June 30, 2022	506,898,576	\$ 50,690	\$ 4,604,191	\$ (192,942)	\$ (5,480,457)	\$ (1,018,518)	\$ (1,634)	\$ (1,020,152)

	<u>Common Shares</u>	<u>Par Value</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Other Comprehensive (Loss)</u>	<u>Accumulated Deficit</u>	<u>Total GigWorld Inc Stockholders' Deficit</u>	<u>Non-Controlling Interests</u>	<u>Stockholders' Equity (Deficit)</u>
Balance December 31, 2020	506,898,576	\$ 50,690	\$ 4,604,191	\$ (378,361)	\$ (5,666,250)	\$ (1,389,730)	\$ -	\$ (1,389,730)
Net (loss) for the period	-	-	-	-	(66,599)	(66,599)	-	(66,599)
Foreign currency translation adjustment	-	-	-	63,278	-	63,278	-	63,278
Balance March 31, 2021	506,898,576	\$ 50,690	\$ 4,604,191	\$ (315,083)	\$ (5,732,849)	\$ (1,393,051)	\$ -	\$ (1,393,051)
Net income for the period	-	-	-	-	614,787	614,787	-	614,787
Foreign currency translation adjustment	-	-	-	(3,715)	-	(3,715)	-	(3,715)
Balance June 30, 2021	506,898,576	\$ 50,690	\$ 4,604,191	\$ (318,798)	\$ (5,118,062)	\$ (781,979)	\$ -	\$ (781,979)

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

GIGWORLD INC. (FORMERLY KNOWN AS HOTAPP BLOCKCHAIN INC.)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(UNAUDITED)**

	<u>Six Months Ended June 30, 2022</u>	<u>Six Months Ended June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) Income from continuing operation including non-controlling interests	\$ (919,387)	\$ 549,501
Adjustments to reconcile net (loss) income to cash used in continuing operations:		
Depreciation	580	-
(Gain) on disposal of a subsidiary	(3,218)	-
Unrealized loss (gain) on securities investment	734,500	(650,000)
Change in operating assets and liabilities:		
Accounts receivable	(30,720)	-
Deposit, prepaid expenses and other receivable	(7,940)	(737)
Accounts payable, other payable and accrued expenses	20,256	3,741
Net cash used in continuing operating activities	<u>\$ (205,929)</u>	<u>\$ (97,495)</u>
Net (Loss) from discontinuing operation including non-controlling interests	(648)	(1,313)
Adjustments to reconcile net loss to cash used in discontinuing operations:		
Change in operating assets and liabilities:		
Accounts payable and accrued expenses	<u>624</u>	<u>861</u>
Net cash used in discontinued operating activities	<u>\$ (24)</u>	<u>\$ (452)</u>
Net cash used in Operating Activities	<u>\$ (205,953)</u>	<u>\$ (97,947)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of securities investment in Fair Value	-	(650,000)
Proceeds on disposal of a subsidiary	1	-
Purchase of fixed assets	(3,704)	-
Net cash used in Investing Activities	<u>\$ (3,703)</u>	<u>\$ (650,000)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Advance from related parties	142,284	738,499
Net cash provided by Financing Activities	<u>\$ 142,284</u>	<u>\$ 738,499</u>
NET (DECREASE) IN CASH	(67,372)	(9,448)
Effects of exchange rates on cash	36,568	33,644
CASH AND CASH EQUIVALENTS at beginning of period	<u>245,780</u>	<u>158,057</u>
CASH AND CASH EQUIVALENTS at end of period	<u><u>\$ 214,976</u></u>	<u><u>\$ 182,253</u></u>

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

GIGWORLD INC. (FORMERLY KNOWN AS HOTAPP BLOCKCHAIN INC.)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. THE COMPANY HISTORY AND NATURE OF THE BUSINESS

GigWorld Inc., formerly HotApp Blockchain, Inc. (the “Company” or “Group”) was incorporated in the State of Delaware on March 7, 2012 and established a fiscal year end of December 31. The Company’s business is focused on serving business-to-business (B2B) needs in e-commerce, collaboration and social networking functions.

Going Concern

These financial statements have been prepared using accounting principles generally accepted in the United States of America applicable for a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. Since inception, the Company has incurred net losses of \$5,480,457 and has net working capital deficit of \$1,025,094 at June 30, 2022. Management has concluded that due to the conditions described above, there is substantial doubt about the entities ability to continue as a going concern through August 4, 2023. We have evaluated the significance of the conditions in relation to our ability to meet our obligations and believe that our current cash balance along with our current operations will not provide sufficient capital to continue operation through 2022. Our ability to continue as a going concern is dependent upon achieving sales growth, management of operating expenses and ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due, and upon profitable operations.

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

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

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). These condensed consolidated financial statements should be read in conjunction with the financial statements and additional information as contained in our Annual Report on Form 10-K for the year ended December 31, 2021 filed on March 15, 2022. Results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2022. The other information in these condensed consolidated financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair presentation of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise.

Basis of consolidation

The condensed consolidated financial statements include all accounts of the Company and its majority owned and controlled subsidiaries. The Company consolidates entities in which it owns more than 50% of the voting common stock and controls operations. All intercompany transactions and balances among consolidated subsidiaries have been eliminated.

The Company’s condensed consolidated financial statements include the financial position, results of operations and cash flows of the following entities as of June 30, 2022 and December 31, 2021, as follows:

Name of subsidiary consolidated under GigWorld Inc.	State or other jurisdiction of incorporation or organization	Attributable interest as of,	
		June 30, 2022	December 31, 2021
		%	%
HotApp BlockChain Pte. Ltd. (f.k.a. HotApps International Pte. Ltd.)	Singapore	100.0	100.0
HotApp International Limited	Hong Kong	100.0	100.0
Gig Stablecoin Inc. (f.k.a. Crypto Exchange Inc.)	United States of America	100.0	100.0
HWH World Inc.	United States of America	100.0	100.0
HWH World Pte. Ltd.	Singapore	-	100.0
Smart Reward Express Limited	Hong Kong	50.0*	50.0*

* Smart Reward Express Limited (“Smart Reward”) was incorporated in Hong Kong on July 13, 2021 with an issued and paid-up share capital of HK\$10,000 comprising 10,000 ordinary shares.

Smart Reward plans to be principally engaged in the business of developing a platform allowing small and medium sized merchants to set-up their own reward program, with the aim of creating a loyalty exchange program for participating merchants.

HotApp International Limited is the owner of 50% of the issued and outstanding shares of Smart Reward. The remaining 50% of the issued and outstanding shares of Smart Reward are held by Value Exchange Int'l (China) Limited, a wholly-owned subsidiary of Value Exchange International Inc.

HotApp International Limited holds 5,000 shares of Smart Reward, representing 50% of the total issued and outstanding shares of Smart Reward. HotApp International Limited is a wholly-owned subsidiary of HotApp Blockchain Pte. Ltd., which is a wholly-owned subsidiary of GigWorld Inc. The remaining 5,000 shares of Smart Reward, representing 50% of the total issued and outstanding shares of Smart Reward, are held by Value Exchange Int'l (China) Limited, a wholly-owned subsidiary of Value Exchange International Inc. GigWorld Inc. owns 18% of the total issued and outstanding shares of Value Exchange International Inc.

Accordingly, the Company in total holds more than 50% of Smart Reward, and Smart Reward is consolidated in the Company's financial statements.

Use of estimates

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

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of June 30, 2022 and December 31, 2021.

Foreign currency risk

Because of its foreign operations, the Company holds cash in non-US dollars. As of June 30, 2022, cash and cash equivalents of the Group includes, on an as converted basis to US dollars, \$60,360 and \$10,345 in Hong Kong Dollars ("HK\$") and Singapore Dollars ("S\$"), respectively. As of December 31, 2021, cash and cash equivalents of the Group include, on an as converted basis to US dollars, \$86,398, and \$10,757, in Hong Kong Dollars ("HK\$"), and Singapore Dollars ("S\$"), respectively.

Investment Securities

Investments represent equity investments with readily determinable fair values.

The Company account for investments in equity securities that have readily determinable fair values are measured at fair value, with unrealized gains and losses from fair value changes recognized in net income in the condensed consolidated statements of comprehensive income.

Equipment

Property and equipment are recorded at cost, less depreciation. Repairs and maintenance are expensed as incurred. Expenditures incurred as a consequence of acquiring or using the asset, or that increase the value or productive capacity of assets are capitalized (such as removal, and restoration costs). When property and equipment is retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Depreciation is computed by the straight-line method (after considering their respective estimated residual values) over the estimated useful lives of the respective assets as follows:

Computer equipment	3 years
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Concentrations

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

Fair value

Fair Value of Financial Instruments

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

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

Revenue recognition

Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers (“ASC 606”), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers. The Company adopted this new standard on January 1, 2018 under the modified retrospective method. The adoption did not have a material effect on our financial statements

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

The Company began generating revenue from a project providing services to Value Exchange Int’l (Hong Kong) Limited, a subsidiary of Value Exchange International Inc. located in Hong Kong, on a monthly basis in June 2022. Upon receipt of purchase order from this customer, we issue the corresponding invoice and provide the service accordingly. Any payment received from this customer in advance is presented within other payables on the Company’s condensed consolidated balance sheets.

Income taxes

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

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the period ended June 30, 2022 or 2021, respectively.

Foreign currency translation

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

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

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

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

For the three and six months ended June 30, 2022, the Company recorded other comprehensive income from translation gain of \$89,537 and \$106,467 in the condensed consolidated financial statements. For the three and six months ended June 30, 2021, the Company recorded other comprehensive income from translation (loss) gain of \$(3,715) and \$59,563 in the condensed consolidated financial statements.

Comprehensive income (loss)

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

Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to stockholders by the weighted average number of shares outstanding during the year.

As of June 30, 2022, there are no potentially dilutive securities that were excluded from the computation of diluted EPS.

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to owners of the Company, and are presented separately in the condensed consolidated statements of operation and comprehensive income, and within equity in the Condensed Consolidated Balance Sheets, separately from equity attributable to owners of the Company.

On June 30, 2022 and December 31, 2021, the aggregate non-controlling interests in the Company were \$(1,634) and \$(1,618), respectively.

Recent accounting pronouncements

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company's condensed consolidated financial statements.

Note 3. ACCOUNTS PAYABLE, OTHER PAYABLE AND ACCRUED EXPENSES

Accrued expenses and other current liabilities consisted of the following:

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Continuing operations		
Accrued payroll	\$ 325	\$ 321
Accrued professional fees	12,704	8,592
Other including receipt in advance from customer	23,517	3,103
Total	<u>\$ 36,546</u>	<u>\$ 12,016</u>
Discontinued operations		
Accrued professional fees	\$ -	\$ 2,593
Total	<u>\$ -</u>	<u>\$ 2,593</u>

Note 4. PROPERTY AND EQUIPMENT, NET

Property and Equipment, net consisted of the following:

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Computer equipment	\$ 5,694	\$ 1,990
Less: accumulated depreciation	854	277
Total	<u>\$ 4,840</u>	<u>\$ 1,713</u>

Note 5. INVESTMENT

The Company acquired 6,500,000 shares of Value Exchange International Inc.'s common shares for an aggregate subscription price of \$650,000. Financial assets measured at fair value on a recurring basis are summarized below and disclosed on the condensed consolidated balance sheet as of June 30, 2022:

	<u>Fair Value Measurement Using</u>			<u>Amount at</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
June 30, 2022				
Asset				
Investment Securities – Fair Value	\$ 1,215,500	\$ -	\$ -	\$ 1,215,500
Total Investment in securities at Fair Value	<u>\$ 1,215,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,215,500</u>
December 31, 2021				
Asset				
Investment Securities – Fair Value	\$ 1,950,000	\$ -	\$ -	\$ 1,950,000
Total Investment in securities at Fair Value	<u>\$ 1,950,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,950,000</u>

The change in fair value of investment securities during the six months ended June 30, 2022 was \$734,500, and was recorded as unrealized (loss) on securities investment in the condensed consolidated statements of operations and comprehensive loss.

Note 6. RELATED PARTY BALANCES AND TRANSACTIONS

Effective as of September 1, 2020, Chan Heng Fai resigned as the Acting Chief Executive Officer of the Company, and the Company's Board of Directors appointed Lee Wang Kei ("Nathan") as the Company's Chief Executive Officer. Alset International Limited ("AIL") is the Company's majority stockholder. Chan Heng Fai, the Executive Chairman of the Company's Board of Directors, is also the Chief Executive Officer and a member of AIL's Board of Directors, as well as the majority stockholder of AIL. Lui Wai Leung Alan, the Company's Chief Financial Officer, is also the Executive Director and Chief Financial Officer of AIL. Both Chan Heng Fai and Lui Wai Leung Alan are compensated by AIL, the Company's majority stockholder. Our Chief Executive Officer, Lee Wang Kei, is paid \$2,000 per month by HotApp International Limited, a subsidiary of the Company. AIL has provided staff to our Company without charge since becoming our majority stockholder.

The Company has disposed one of its subsidiary, HWH World Pte. Limited, to Health Wealth Happiness Pte. Ltd (a subsidiary of AIL) for a consideration amount of S\$2.00 on April 18, 2022. The Company has a project with an affiliate (a subsidiary of Value Exchange International Inc.) that commenced in June 2022. The project has generated revenue of \$7,701, a receivable including customer's deposit and prepayment of \$30,720 and a payable of \$23,046 from the affiliate. As of June 30, 2022, the Company has an amount due to AIL of \$2,455,988 plus an amount due to an associated company of AIL of \$99 and has an amount due from a fellow subsidiary of \$1. As of December 31, 2021, the Company had an amount due to AIL of \$2,383,596 plus an amount due to an associated company of AIL of \$102.

Note 7. DISCONTINUED OPERATIONS

Director's resolutions of HotApp Blockchain Pte Limited passed on April 18, 2022 for the disposal of its investments of 100,000 shares in HWH World Pte. Limited, representing 100% of the share capital of HWH World Pte. Limited, for a consideration amount of S\$2.00. The shares were disposed to Health Wealth Happiness Pte. Ltd, a subsidiary of AIL.

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

	<u>April 18, 2022</u>	<u>December 31, 2021</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 3,217	\$ 2,593
TOTAL CURRENT LIABILITIES	<u>3,217</u>	<u>2,593</u>
TOTAL LIABILITIES	<u>\$ 3,217</u>	<u>\$ 2,593</u>

The aggregate financial results of discontinued operations were as follows:

	<u>Three Months Ended June 30, 2022</u>	<u>Three Months Ended June 30, 2021</u>	<u>Six Months Ended June 30, 2022</u>	<u>Six Months Ended June 30, 2021</u>
Operating expenses:				
General and administrative	\$ (3)*	\$ 657	\$ 648	\$ 1,313
Total operating expenses	<u>(3)</u>	<u>657</u>	<u>648</u>	<u>1,313</u>
Income (Loss) from operations	<u>3</u>	<u>(657)</u>	<u>(648)</u>	<u>(1,313)</u>
Income (Loss) from discontinued operations	<u>\$ 3</u>	<u>\$ (657)</u>	<u>\$ (648)</u>	<u>\$ (1,313)</u>

*There was no expenses incurred during the three months ended June 30, 2022. The negative amount was arisen due to the different exchange rate used in converting from its functional currency to U.S. dollar.

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

FORWARD-LOOKING STATEMENTS

Certain matters discussed herein are forward-looking statements. Such forward-looking statements contained in this Form 10-Q involve risks and uncertainties, including statements as to:

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

These forward-looking statements can generally be identified as such because the context of the statement will include words such as we "believe," "anticipate," "expect," "estimate" or words of similar meaning. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which are described in close proximity to such statements and which could cause actual results to differ materially from those anticipated as of the date of filing of this Form 10-Q. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of filing of this Form 10-Q, and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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

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

In December 2019, a novel strain of coronavirus (COVID-19) was first identified in Wuhan, Hubei Province, China, and has since spread to a number of other countries, including the United States. The COVID-19 pandemic's far-reaching impact on the global economy could negatively affect various aspects of our business. The extent to which the COVID-19 pandemic may impact our business will depend on future developments, which are highly uncertain and cannot be predicted.

The COVID-19 pandemic may adversely impact our potential to expand our business activities. The COVID-19 pandemic has impacted, and may continue to impact, the global supply of certain goods and services in ways that may impact the sale of products to consumers that we, or companies we may partner with, will attempt to make. The COVID-19 pandemic may prevent us from pursuing otherwise attractive opportunities.

In addition, the COVID-19 pandemic could directly impact the ability of our management and service providers to continue to work, and our ability to conduct our operations in a prompt and efficient manner. Our management has shifted to mostly working from home since March 2020, but this has had minimal impact on our operations to date. However our management's ability to travel has been significantly limited, and limitations on the mobility of our management may slow down our ability to enter into new transactions and expand existing projects.

Background and business

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

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

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

In 2018, one of our main developments was a broadening of our scope of planned operations into a digital transformation technology business. As a digital transformation technology business, we are committed to enabling enterprises we work with to engage in a digital transformation by providing consulting, implementation and development services with various technologies, including instant messaging, blockchain, e-commerce, social media and payment solutions. We continue to advise businesses in network marketing and brands in block chain services and mobile collaboration.

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

Our technology platform consists of instant messaging systems, social media, e-commerce and payment systems, network marketing platforms and e-real estate. We are focused on business-to-business solutions such as enterprise messaging and workflow. We have successfully implemented several strategic platform developments for clients, including a mobile front-end solution for network marketing, a hotel e-commerce platform for Asia and a real estate agent management platform in China. We have also enhanced our technological capability from mobile application development to include blockchain architectural design, allowing mobile-friendly front-end solutions to integrate with software platforms. Our main digital assets at the present time are our applications. We continue to strengthen our technology architecture and develop Application Development Interface (API) for collaboration partners such as network marketing back end service providers. In addition we are continuing our development activities in blockchain preparing for future clients opportunities.

In January 2017, we entered into a revenue-sharing agreement with iGalen, a network marketing company selling health products (AIL, our majority stockholder, was a significant stockholder of iGalen). Under the agreement, we customized a secure app for iGalen's communication and management system. The app enables mobile friendly backend access for iGalen Inc. members, among other functions. We are continuing to improve this secure app. In particular, we intend to utilize blockchain supply logistics to improve its functions (the original iGalen app did not utilize the latest distributed ledger technology). Once the improvements to this technology are completed, and initially utilized by iGalen, We intend to then attempt to sell similar services to other companies engaged in network marketing, as members of our management have a particular experience offering services to that industry and we believe our solutions are particularly suited to that industry's needs. This app can be modified to meet the specific needs of any network marketing company. We believe that these technologies will, among other benefits, make it easier for network marketing companies to securely and effectively manage their systems of compensation. Our current plan is to commence sales of this technology in 2022.

In February of 2021, the Company's name was changed to "GigWorld Inc."

The direct selling industry has been adopting gig economy practices and relying heavily on digital marketing technology in team development and customer engagement. We have positioned ourselves to serve the growing demand in the transformation of the direct selling industry towards the gig economy.

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

On April 8, 2021, the Company entered into a Securities Purchase Agreement with Value Exchange International, Inc., a Nevada corporation ("VEII") pursuant to which the Company purchased 6.5 million restricted shares of VEII Common Stock from VEII for an aggregate purchase price of \$650,000. The closing of the transaction occurred on April 12, 2021. The Company presently owns approximately 18% of the total issued and outstanding shares of Value Exchange International Inc. Pursuant to this Securities Purchase Agreement, the Company was entitled to appoint one nominee to the Board of Directors of VEII. The Company appointed Mr. Lum Kan Fai as its nominee. Mr. Lum is the Vice Chairman of the Company's Board of Directors. VEII is a provider of customer-centric technology solutions for the retail industry in Hong Kong and certain regions of China and Philippines.

In July of 2021, the Company's indirect subsidiary HotApp International Limited incorporated Smart Reward Express Limited ("Smart Reward") in Hong Kong. Smart Reward plans to be principally engaged in the business of developing a platform allowing small and medium sized merchants to set-up their own reward program, with the aim of creating a loyalty exchange program for participating merchants.

HotApp International Limited is the owner of 50% of the issued and outstanding shares of Smart Reward. The remaining 50% of the issued and outstanding shares of Smart Reward are held by Value Exchange Int'l (China) Limited, a wholly-owned subsidiary of VEII.

Trends in the Market and Our Opportunity

The gig economy has become very appealing to those seeking flexibility in how and when they work. Technology has been a key driver along with reducing complexity to simplicity in how work is done and how the worker is compensated.

Technology has changed pretty much every aspect of a business, opening up work opportunities for those who want to work in the gig economy. This change has also helped employers increase profitability because they only have to only hire workers when they need them.

While there is no universal definition of a gig worker, making them a difficult cohort to categorize, some estimates predict that gig workers represent around 35 percent of the U.S. workforce in 2020, up from between 14 and 20 percent in 2014.

That means roughly 57 million Americans currently engage in some type of gig work that contributes more than \$1 trillion to the U.S. economy annually. Those figures are only expected to grow, with some predicting that freelance workers will make up more than half of the U.S. workforce by 2023.

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

- As the world starts to more fully embrace the new way of working after the pandemic, talent leaders must plan for this inevitable shift and find new ways to support workers to ensure the gig economy's long-term viability.
- Technology has made the workforce digital, and jobs are changing to compensate. People who work as gig workers often don't work at a company's site and instead work at home, in coffee shops, and other places. They communicate with potential employers mostly via email, messaging apps and collaboration tools. These workers find potential gigs on job boards or through their networking efforts.
- Industries such as Network Marketing, affiliate marketing and Hospitality and Franchising businesses are utilizing Mobile friendly solutions to reach out effectively to their marketing network on a global basis.
- Loyalty programs integrated with Point of Sales systems, retail applications and smart vending machines

Our Plan of Operations and Growth Strategy

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

- focus in developing technologies enabling enterprise to capture the gig economy opportunities
- partner with technology providers offer services for membership management, ecommerce, loyalty reward management, CRM, logistics and payment services in the gig economy marketplace
- identify solutions and licensing opportunities in accelerating the digital transformation for direct selling, affiliate marketing, travel membership and O2O (online-to-offline) eCommerce operations.

Results of Operations

Summary of Key Results

For the unaudited three months period ending June 30, 2022 and 2021

Revenue

Revenue consists primarily of the services rendered to customers. The Company began generating revenue from a project providing services to Value Exchange Int'l (Hong Kong) Limited, a subsidiary of VEII located in Hong Kong, on a monthly basis in June 2022. Revenues were \$7,701 and \$0, respectively, for the three months ended June 30, 2022 and 2021.

Cost of revenue

Cost of revenue consists primarily of outside service fees incurred directly to the project. Total cost of revenue for the three months ended June 30, 2022 and 2021 were \$2,792 and \$0, respectively.

General and Administrative

General and administrative expenses consist primarily of salary and benefits, professional fees, consulting fee and maintenance expenses of existing software framework. We expect our general and administrative expenses to maintain with moderate changes in line with business activities. Total general and administrative expenses for the three months ended June 30, 2022 and 2021 were \$55,658 and \$38,590, of which \$415 and \$0 were depreciation expenses, respectively.

Other (Expense) / Income

For the three months ended June 30, 2022 and 2021, we have incurred \$3,218 and \$0 in gain on disposal of a subsidiary, \$(24,769) and \$4,033 in foreign exchange (loss) gain, \$(279,500) and \$650,000 in unrealized (loss) gain on securities investment, \$1,022 and \$0 in other income, and \$1 and \$1 in interest income respectively.

For the unaudited six months period ending June 30, 2022 and 2021

Revenue

Revenue consists primarily of the services rendered to customers. The Company began generating revenue from a project providing services to Value Exchange Int'l (Hong Kong) Limited, a subsidiary of VEII located in Hong Kong, on a monthly basis in June 2022. Revenues were \$7,701 and \$0, respectively, for the six months ended June 30, 2022 and 2021.

Cost of revenue

Cost of revenue consists primarily of outside service fees incurred directly to the project. Total cost of revenue for the six months ended June 30, 2022 and 2021 were \$2,792 and \$0, respectively.

General and Administrative

General and administrative expenses consist primarily of salary and benefits, professional fees, consulting fee and maintenance expenses of existing software framework. We expect our general and administrative expenses to maintain with moderate changes in line with business activities. Total general and administrative expenses for the six months ended June 30, 2022 and 2021 were \$159,328 and \$68,062, of which \$580 and \$0 were depreciation expenses, respectively.

Other (Expense) / Income

For the six months ended June 30, 2022 and 2021, we have incurred \$3,218 and \$0 in gain on disposal of a subsidiary, \$(34,710) and \$(32,438) in foreign exchange (loss), \$(734,500) and \$650,000 in unrealized (loss) gain on securities investment, \$1,022 and \$0 in other income, and \$2 and \$1 in interest income respectively.

Liquidity and Capital Resources

At June 30, 2022, we had cash of \$214,976 and working capital deficit of \$1,025,094.

We had a total stockholders' deficit of \$1,020,152 and an accumulated deficit of \$5,480,457 as of June 30, 2022 compared with a total stockholders' deficit of \$206,584 and an accumulated deficit of \$4,560,449 as of December 31, 2021. This difference is primarily due to the unrealized loss on securities investment during the period.

For the six months ended June 30, 2022, we recorded a net (loss) of \$(920,035).

We had net cash used in operating activities of \$205,953 for the six months ended June 30, 2022. We had a negative change of \$30,720 in accounts receivable, a negative change of \$7,940 in deposit, prepaid expenses and other receivable, and a positive change of \$20,880 due to accounts payable and accrued expenses.

For the six months ended June 30, 2021, we recorded a net income of \$548,188.

We had net cash used in operating activities of \$97,947 for the six months ended June 30, 2021. We had a negative change of \$737 in deposit, prepaid expenses and other receivable, and a positive change of \$4,602 due to accounts payable and accrued expenses.

For the six months ended June 30, 2022, we spent \$3,704 on the acquisition of fixed assets and had \$1 for the proceeds on disposal of a subsidiary, resulting in net cash used in investing activities of \$3,703 for the period.

For the six months ended June 30, 2021, we spent \$650,000 on the acquisition of securities investment in fair value, resulting in net cash used in investing activities of \$650,000 for the period.

For the six months ended June 30, 2022, we had net cash provided by financial activities of \$142,284 due to advances from related parties.

For the six months ended June 30, 2021, we had net cash provided by financial activities of \$738,499 due to advances from related parties.

As of June 30, 2022, we do not have any fixed operating office lease agreements.

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

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

Critical Accounting Policies

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

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

Revenue recognition

Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The Company adopted this new standard on January 1, 2018 under the modified retrospective method. The adoption did not have a material effect on our financial statements

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

The Company began generating revenue from a project providing services to Value Exchange Int'l (Hong Kong) Limited, a subsidiary of Value Exchange International Inc. located in Hong Kong, on a monthly basis in June 2022. Upon receipt of purchase order from this customer, we issue the corresponding invoice and provide the service accordingly. Any payment received from this customer in advance is presented within other payables on the Company's condensed consolidated balance sheets.

Income taxes

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

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the period ended June 30, 2022 or 2021, respectively.

Off-Balance Sheet Arrangements

As of June 30, 2022, the Company did not have any off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a “smaller reporting company” as defined by Item 10(f)(1) of Regulation S-K, the Company is not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of our Quarterly Report on Form 10-Q, an evaluation was carried out by management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of June 30, 2022. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During evaluation of disclosure controls and procedures as of June 30, 2022 conducted as part of our preparation of our interim financial statements, management conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective. Management determined that at June 30, 2022, we had a material weakness in our internal control over financial reporting because our small accounting team, currently furnished by a related-party, manages both bookkeeping and accounting functions and therefore prevents us from segregating duties within our internal control system.

Changes in the Company’s Internal Controls over Financial Reporting

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

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

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

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Not Applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1*	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1**	<u>Section 1350 Certification of Chief Executive Officer and Chief Financial Officer</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

GIGWORLD INC.

Date: August 4, 2022

By: /s/ Lee Wang Kei

Lee Wang Kei
Chief Executive Officer (Principal Executive Officer)

Date: August 4, 2022

By: /s/ Lui Wai Leung, Alan

Lui Wai Leung, Alan
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)