

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

FORM 10-Q/A

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

For the quarterly period ended: **September 30, 2023**

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

For the transition period from _____ to _____

WETRADE GROUP INC

(Exact name of small business issuer as specified in its charter)

Wyoming

*(State or other jurisdiction of
incorporation or organization)*

(I.R.S. Tax. I.D. No.)

**Room 519, 05/F Block T3
Qianhai Premier Finance Centre Unit 2
Guiwan Area, Nanshan District, Shenzhen
*(Address of Principal Executive Offices)***

(852) 52208810

(Registrant's Telephone Number, Including Area Code)

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 definition of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>
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 ☒

As of April 1, 2024, there were 2,625,130 shares of common stock outstanding.

Explanatory Note

WeTrade Group Inc. (the "Company") is filing this Amendment (the "Amendment") to the Quarterly Report on Form 10-Q for the nine months ended September 30, 2023, originally filed with the Securities and Exchange Commission on November 20, 2023 (the "Original Filing"), to amend our consolidated financial statements.

In the course of its financial statements closing process subsequent to the period ended December 31, 2023, the management of the Company determined to update certain amounts and information in the notes to the financial statement, particularly Note 11 regarding the Company's information and amounts related to the discontinued operation.

In accordance with applicable SEC rules, this Amendment includes new certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, as amended, from our Chief Executive Officer and Chief Financial Officer.

No other changes have been made to the Original Filing. Other than as expressly set forth herein, this Amendment does not, and does not purport to, amend, update, or restate the information in any item of the Original Filing or reflect any events that have occurred after the Original Filing was filed.

TABLE OF CONTENTS

<u>Cautionary Note Regarding Forward-Looking Statements</u>	ii
 <u>PART I - Financial Information</u>	
 <u>Item 1. Financial Statements</u>	1
<u>Unaudited Condensed Consolidated Balance Sheets as of December 31, 2022 and September 30, 2023</u>	1
<u>Unaudited Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2022 and September 30, 2023</u>	2
<u>Unaudited Condensed Consolidated Statement of Changes in Stockholders' Equity for the Three and Nine Months Ended September 30, 2022 and September 30, 2023</u>	3
<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2022 and September 30, 2023</u>	5
<u>Notes to Unaudited Consolidated Financial Statements as of September 30, 2023</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	23
<u>Item 4. Controls and Procedures</u>	23
 <u>PART II – Other Information</u>	24
 <u>Item 1. Legal Proceedings</u>	24
<u>Item 1A. Risk Factors</u>	24
<u>Item 2. Unregistered Sales of Equity Securities And Use Of Proceeds</u>	24
<u>Item 3. Defaults Upon Senior Securities</u>	24
<u>Item 4. Mine Safety Disclosures</u>	24
<u>Item 5. Other information</u>	24
<u>Item 6. Exhibits</u>	25
 <u>Signatures</u>	26

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”). These forward-looking statements are generally located in the material set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” but may be found in other locations as well. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements.

We identify forward-looking statements by use of terms such as “may,” “will,” “expect,” “anticipate,” “estimate,” “hope,” “plan,” “believe,” “predict,” “envision,” “intend,” “will,” “continue,” “potential,” “should,” “confident,” “could” and similar words and expressions, although some forward-looking statements may be expressed differently. You should be aware that our actual results could differ materially from those contained in the forward-looking statements.

Forward-looking statements are based on information available at the time the statements are made and involve known and unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to be materially different from the information expressed or implied by the forward-looking statements in this report. These factors include, among others:

- our ability to execute on our growth strategies;
- our ability to find manufacturing partners on favorable terms;
- declines in general economic conditions in the markets where we may compete;
- our anticipated needs for working capital; and

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

Forward-looking statements speak only as of the date of this report or the date of any document incorporated by reference in this report. Except to the extent required by applicable law or regulation, we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

PART I – FINANCIAL INFORMATION**Item 1. Financial Statements**

WETRADE GROUP INC
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(All amounts shown in U.S. Dollars)	As of September 30, 2023	As of December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,416,885	\$ 24,232
Digital assets	21,930,658	—
Accounts receivable- non related parties, net	129,764	—
Other receivables-related parties	5,805,500	5,805,500
Prepayments	12,125,500	50,000
Assets related to discontinued operation	—	40,349,508
Total current assets	41,408,307	46,229,240
Total assets	41,408,307	\$ 46,229,240
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Account payables	123,273	—
Accrued expenses	270,864	—
Amount due to related parties	1,673,683	1,303,296
Other payables	50,517	50,000
Liabilities related to discontinued operation	—	3,168,435
Total current liabilities	2,118,337	4,521,731
Total liabilities	2,118,337	4,521,731
Stockholders' equity:		
Common stock; no par value; 2,625,130 and 195,057,503 issued and outstanding at September 30, 2023 and December 31, 2022 respectively	—	—
Additional paid in capital	56,348,650	43,732,196
Accumulated other comprehensive loss	(175)	(310,577)
Accumulated deficits	(17,058,505)	(1,714,110)
Total stockholders' equity	39,289,970	41,707,509
Total liabilities and stockholders' equity	\$ 41,408,307	\$ 46,229,240

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

WETRADE GROUP INC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Revenue:				
Service revenue	\$ 1,633,836	\$ —	\$ 1,633,836	\$ —
Total service revenue	<u>1,633,836</u>	<u>—</u>	<u>1,633,836</u>	<u>—</u>
Cost of revenue	<u>(398,537)</u>	<u>—</u>	<u>(398,537)</u>	<u>—</u>
Gross Profit	<u>1,235,299</u>	<u>—</u>	<u>1,235,299</u>	<u>—</u>
Operating expenses				
Impairment of digital assets	\$ (3,059,342)	\$ —	\$ (3,059,342)	\$ —
General and administrative expense	<u>(1,526,531)</u>	<u>(6,315,959)</u>	<u>(1,526,531)</u>	<u>(6,800,305)</u>
Total operating expenses	<u>(4,585,873)</u>	<u>(6,315,959)</u>	<u>(4,585,873)</u>	<u>(6,800,305)</u>
Loss from operations	<u>(3,350,574)</u>	<u>(6,315,959)</u>	<u>(3,350,574)</u>	<u>(6,800,305)</u>
Other (expenses)/ income	<u>(10,935,694)</u>	<u>21,958</u>	<u>(10,935,694)</u>	<u>—</u>
Loss before income taxes	<u>(14,286,268)</u>	<u>(6,294,001)</u>	<u>(14,286,268)</u>	<u>(6,800,305)</u>
Income tax expenses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net loss from continuing operation	<u>\$ (14,286,268)</u>	<u>\$ (6,294,001)</u>	<u>\$ (14,286,268)</u>	<u>\$ (6,800,305)</u>
Discontinued Operations:				
Loss from discontinued operation	70,477	(2,363,091)	(1,124,676)	(1,738,568)
Gain from discontinued operation	115,630	—	66,549	—
Comprehensive income				
Net loss	\$ (14,100,161)	\$ (8,657,092)	\$ (15,344,395)	\$ (8,538,873)
Other comprehensive income				
Foreign currency translation adjustment	<u>(175)</u>	<u>—</u>	<u>(175)</u>	<u>—</u>
Total comprehensive loss	<u>\$ (14,100,336)</u>	<u>\$ (8,657,092)</u>	<u>\$ (15,344,570)</u>	<u>\$ (8,538,873)</u>
Loss per share, basic and diluted	<u>\$ (0.29)</u>	<u>\$ (0.04)</u>	<u>\$ (0.13)</u>	<u>\$ (0.03)</u>
*Weighted-average shares outstanding, basic and diluted	<u>48,205,725</u>	<u>192,768,916</u>	<u>114,844,076</u>	<u>233,072,453</u>

* Share and per share amounts have been retroactively adjusted to reflect the decreased number of shares resulting from a reverse stock split and issuance of new shares.

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

WETRADE GROUP INC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

Three months ended September 30, 2023

	Common Stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Paid in	Deficits	Other	Shareholder
			Capital		Comprehensive	Equity
					Income	
Balance as of June 30, 2023	1,054,530	\$ —	\$43,732,196	\$ (2,958,344)	\$ (935,527)	\$ 39,838,325
Stock issued during the period	1,570,600	—	12,616,454	—	—	12,616,454
Foreign currency translation adjustment	—	—	—	—	935,352	935,352
Net gain from discontinued operation	—	—	—	186,107	—	186,107
Net loss for the period	—	—	—	\$(14,286,268)	—	\$(14,286,268)
Balance as of September 30, 2023	2,625,130	\$ —	\$56,348,650	\$(17,058,505)	\$ (175)	\$ 39,289,970

Nine months ended September 30, 2023

	Common Stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Paid in	Deficits	Other	Shareholder
			Capital		Comprehensive	Equity
					Income	
Balance as of December 31, 2022	195,057,503	\$ —	\$43,732,196	\$ (1,714,110)	\$ (310,577)	\$ 41,707,509
Reverse shares split	(194,002,973)	—	—	—	—	—
Stock issued during the period	1,570,600	—	12,616,454	—	—	12,616,454
Foreign currency translation adjustment	—	—	—	—	310,402	310,402
Disposition of discontinued operations	—	—	—	(1,124,676)	—	(1,124,676)
Net gain from discontinued operation	—	—	—	66,549	—	66,549
Net loss for the period	—	—	—	\$(14,286,268)	—	\$(14,286,268)
Balance as of September 30, 2023	2,625,130	\$ —	\$56,348,650	\$(17,058,505)	\$ (175)	\$ 39,289,970

Three months ended September 30, 2022

	Common Stock		Additional Paid in	Retained	Accumulated Other Comprehensive	Total Shareholder
	Shares	Amount	Capital	Earnings	Income	Equity
Balance as of June 30, 2022	185,032,503	\$ —	\$ 6,197,520	\$ 7,551,523	\$ 187,388	\$13,936,431
Stock issued during the period	10,000,000	—	37,057,176	—	—	37,057,176
Stock compensation	25,000	—	477,500	—	—	477,500
Foreign currency translation adjustment	—	—	—	—	(764,034)	(764,034)
Disposition of discontinued operation	—	—	—	(2,363,091)	—	(4,703,664)
Net loss for the period	—	—	—	\$(6,294,001)	—	\$(3,953,428)
Balance as of September 30, 2022	195,057,503	\$ —	\$43,732,196	\$(1,105,569)	\$ (576,646)	\$42,049,981

Nine months ended September 30, 2022

	Common Stock		Additional Paid in	Retained	Accumulated Other Comprehensive	Total Shareholder
	Shares	Amount	Capital	Earnings	Income	Equity
Balance as of December 31, 2021	305,451,498	\$ —	\$ 6,197,520	\$ 7,433,305	\$ 898,497	\$14,529,322
Share cancellation	(120,418,995)	—	—	—	—	—
Stock issued during the period	10,000,000	—	37,057,176	—	—	37,057,176
Stock compensation	25,000	—	477,500	—	—	477,500
Foreign currency translation adjustment	—	—	—	—	(1,475,143)	(1,475,143)
Disposition of discontinued operations	—	—	—	(1,738,568)	—	(1,738,568)
Net loss for the period	—	—	—	\$(6,800,306)	—	\$(6,800,306)
Balance as of September 30, 2022	195,057,503	\$ —	\$43,732,196	\$(1,105,569)	\$ (576,646)	\$42,049,981

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

WETRADE GROUP INC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine months Ended September 30, 2023	For the Nine months Ended September 30, 2022
Cash flows from operating activities:		
Net loss	\$ (14,286,268)	\$ (6,800,305)
Gain from discontinued operation	66,549	—
Loss from disposal operation	(1,124,676)	(1,738,568)
Digital assets impairment loss	3,059,342	—
Changes in operating assets and liabilities:		
Accounts receivables	(129,766)	—
Prepaid expenses	(12,075,500)	(50,000)
Account payables	123,273	—
Accrued expenses	270,864	—
Tax payables	517	—
Assets related to discontinued operations	32,979,652	(31,203,493)
Liabilities related to discontinued operations	—	(1,008,856)
Net cash flows provided by/ (used in) operating activities	8,883,987	(40,801,222)
Cash flow from investing activities:		
Digital assets	(24,990,000)	—
Property, plant and equipments	—	395,353
Amortised expenses	—	37,766
Net cash (used in)/ provided by investing activities	(24,990,000)	433,119
Cash flow from financing activities:		
Proceed from issuance of common stock	12,616,454	37,534,676
Note receivables	—	3,844,030
Proceed from disposal of subsidiaries	4,500,000	—
Shareholders loan	382,387	(111,765)
Net cash flows provided by financing activities	17,498,841	41,266,941
Effect of exchange rate changes on cash	(175)	(1,475,144)
Change in cash and cash equivalents:	1,392,653	(576,306)
Cash and cash equivalents, beginning of period	\$ 24,232	\$ 616,593
Cash and cash equivalents, end of period	\$ 1,416,885	\$ 40,287
Supplemental cash flow information:		
Cash paid for interest	\$ —	\$ —
Cash paid for taxes	\$ —	\$ —

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

WETRADE GROUP INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – NATURE OF BUSINESS

Business

WeTrade Group, Inc was incorporated in the State of Wyoming on March 28, 2019. We currently pursue two corporate strategies. One business strategy is to continue providing software development services, and the other strategy is to acquire and hold bitcoin.

Software development

We provide AI-enabled software development services to our customers, which included developing, designing, and implementing various SAAS software solutions for businesses of all types, including industrial and other businesses.

Bitcoin Acquisition Strategy

Our bitcoin acquisition strategy generally involves acquiring bitcoin with our liquid assets that exceed working capital requirements, and from time to time, subject to market conditions, issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase bitcoin.

We view our bitcoin holdings as long-term holdings and expect to continue to accumulate bitcoin. We have not set any specific target for the amount of bitcoin we seek to hold, and we will continue to monitor market conditions in determining whether to engage in additional financings to purchase additional bitcoin.

This overall strategy also contemplates that we may (i) periodically sell bitcoin for general corporate purposes, including to generate cash for treasury management or in connection with strategies that generate tax benefits in accordance with applicable law, (ii) enter into additional capital raising transactions that are collateralized by our bitcoin holdings, and (iii) consider pursuing additional strategies to create income streams or otherwise generate funds using our bitcoin holdings.

We believe that, due to its limited supply, bitcoin offers the opportunity for appreciation in value if its adoption increases and has the potential to serve as a hedge against inflation in the long-term.

The following table presents a roll-forward of our bitcoin holdings, including additional information related to our bitcoin purchases, and digital asset impairment losses during the period:

	Digital asset original cost basis	Digital asset impairment losses	Digital asset carrying amount	Approximate number of Bitcoin held
Balance at December 31, 2022	-	-	-	-
Digital asset purchase	24,990,000	-	24,990,000	833
Digital asset impairment loss	-	(3,059,342)	-	-
Balance at September 30, 2023	24,990,000	(3,059,342)	21,930,658	833

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

The condensed consolidated financial statements of the Company as of and for the nine months ended September 30, 2023 and 2022 are unaudited. In the opinion of management, all adjustments (including normal recurring adjustments) that have been made are necessary to fairly present the financial position of the Company as of September 30, 2023, the results of its operations for the nine months ended September 30, 2023 and 2022, and its cash flows for the nine months ended September 30, 2023 and 2022. Operating results for the quarterly periods presented are not necessarily indicative of the results to be expected for a full fiscal year.

The statements and related notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and other information included in the Company’s Annual Report on Form 10-K as filed with the SEC for the fiscal year ended December 31, 2022.

Revenue recognition

The Company follows the guidance of Accounting Standards Codification (ASC) 606, *Revenue from Contracts*. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

Digital Assets

The Company accounts for its digital assets, which are comprised solely of bitcoin, as indefinite-lived intangible assets in accordance with Accounting Standards Codification (“ASC”) 350, Intangibles—Goodwill and Other. The Company’s digital assets are initially recorded at cost. Subsequently, they are measured at cost, net of any impairment losses incurred since acquisition. Impairment losses are recognized as “Digital asset impairment losses” in the Company’s Consolidated Statement of Operations in the period in which the impairment occurs. Gains (if any) are not recorded until realized upon sale, at which point they are presented net of any impairment losses in the Company’s Consolidated Statements of Operations. In determining the gain to be recognized upon sale, the Company calculates the difference between the sales price and carrying value of the specific bitcoins sold immediately prior to sale.

The following table summarizes the Company’s digital asset holdings as of:

	September 30, 2023	December 31, 2022
Approximate number of bitcoins held	833.19	—
Digital assets carrying value	\$ 21,930,658	\$ —
Cumulative asset impairment losses	\$ 3,059,342	\$ —

As of September 30, 2023, approximately 833.19 of the bitcoins held by the Company, which had a carrying value of approximately \$21.9 million on the Company’s Consolidated Balance Sheets as of September 30, 2023.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity period of three months or less to be cash or cash equivalents. The carrying amounts reported in the accompanying unaudited condensed consolidated balance sheets for cash and cash equivalents approximate their fair value. All of the Company's cash that is held in bank accounts in Singapore, Hong Kong and PRC are not protected by Federal Deposit Insurance Corporation ("FDIC") insurance.

Foreign Currency

The Company's principal country of operations is the PRC. The accompanying condensed consolidated financial statements are presented in US\$. The functional currency of the Company is US\$, and the functional currency of the Company's subsidiaries is RMB. The condensed consolidated financial statements are translated into US\$ from RMB at year-end exchange rates as to assets and liabilities and average exchange rates as to revenues and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. The resulting translation adjustments are recorded as a component of shareholders' equity included in other comprehensive income. Gains and losses from foreign currency transactions are included in profit or loss. There were no gains and losses from foreign currency transactions from the inception to September 30, 2023.

	September 30, 2023	December 31, 2022
RMB: US\$ exchange rate	7.27	6.90

The balance sheet amounts, with the exception of equity, September 30, 2023 and December 31, 2022 were translated at 7.27 RMB and 6.9 RMB to US\$1.00, respectively. The equity accounts were stated at their historical rates. The average translation rates applied to statements of operations and comprehensive income accounts for the period ended September 30, 2023 and year ended December 31, 2022 were 7.05 RMB and 6.75 RMB to US\$1.00, respectively. Cash flows were also translated at average translation rates for the year and, therefore, amounts reported on the statement of cash flows would not necessarily agree with changes in the corresponding balances on the condensed consolidated balance sheet. The transactions dominated in SGD are immaterial.

Consolidation

The Company's condensed consolidated financial statements include the financial statements of the Group and subsidiaries. All transactions and balances among the Group and its subsidiaries have been eliminated upon consolidation.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make judgement estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Management believes that the estimates used in preparing the financial statements are reasonable and prudent; however, actual results could differ from these estimates. Significant accounting estimates include the allowance for doubtful accounts, useful lives of intangible asset, valuation of deferred tax assets, and certain accrued liabilities such as contingent liabilities.

Accounts Receivable

Accounts receivables are presented net of allowance for doubtful accounts. The Company uses specific identification in providing for bad debts when facts and circumstances indicate that collection is doubtful and based on factors listed in the following paragraph. If the financial conditions of its customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The Company maintains an allowance for doubtful accounts which reflects its best estimate of amounts that potentially will not be collected. The Company determines the allowance for doubtful accounts on general basis taking into consideration various factors including but not limited to historical collection experience and credit-worthiness of the customers as well as the age of the individual receivables balance. Additionally, the Company makes specific bad debt provisions based on any specific knowledge the Company has acquired that might indicate that an account is uncollectible. The facts and circumstances of each account may require the Company to use substantial judgment in assessing its collectability.

Leases

The Company adopted Accounting Standards Update No. 2016-02, Leases (Topic 842) (ASU 2016-02), and generally requires lessees to recognize operating and financing lease liabilities and corresponding right-of-use (ROU) assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements.

Operating leases are included in operating lease right-of-use (“ROU”) assets and short-term and long-term lease liabilities in our condensed consolidated balance sheets. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our condensed consolidated balance sheets.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, we use the industry incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

ASU 2016-02 requires that public companies use a secured incremental borrowing rate for the present value of lease payments when the rate implicit in the contract is not readily determinable. We determine a secured rate on a quarterly basis and update the weighted average discount rate accordingly.

Software Development Costs

We apply ASC 985-20, Software—Costs of Software to Be Sold, Leased, or Marketed, in analyzing our software development costs. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product in development. Research and development costs associated with establishing technological feasibility are expensed as incurred. Based on our software development process, technological feasibility is established upon the completion of a working model. In addition, we apply this to our review of development projects related to software used exclusively for our SaaS subscription offerings. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized.

Income Tax

Income taxes are determined in accordance with the provisions of ASC Topic 740, "Income Taxes" ("ASC Topic 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company has subsidiaries in Singapore and PRC. The Company is subject to tax in Singapore and PRC jurisdictions. As a result of its future business activities, the Company will be required to file tax returns that are subject to examination by the Inland Revenue Authority of Singapore and Tax Department of PRC.

Loss Per Share

Basic net income per share of common stock attributable to common stockholders is calculated by dividing net income attributable to common stockholders by the weighted-average shares of common stock outstanding for the period. Potentially dilutive shares, which are based on the weighted-average shares of common stock underlying outstanding stock-based awards, warrants, options, or convertible debt using the treasury stock method or the if-converted method, as applicable, are included when calculating diluted net income (loss) per share of common stock attributable to common stockholders when their effect is dilutive.

Potential dilutive securities are excluded from the calculation of diluted EPS in profit periods as their effect would be anti-dilutive.

As of September 30, 2023, there were no potentially dilutive shares.

	For the period September 30, 2023	For the period September 30, 2022
Statement of Operations Summary Information:		
Net Loss	\$ (14,286,268)	\$ (6,800,305)
Weighted-average common shares outstanding - basic and diluted	114,844,076	233,072,453
Net loss per share, basic and diluted	\$ (0.12)	\$ (0.03)

Fair Value Measurements

The Company follows guidance for accounting for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Additionally, the Company adopted guidance for fair value measurement related to non-financial items that are recognized and disclosed at fair value in the financial statements on a non-recurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. The carrying amounts of financial assets such as cash approximate their fair values because of the short maturity of these instruments.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 4 – REVENUE

We are in the business of providing AI-enabled software development services for industrial and other customers.

As of and for the period ended September 30, 2023, we generated revenues from customers amounting \$1,633,836 as follow:

	September 30, 2023	September 30, 2022
AI Software development and industrial SAAS business	\$ 1,633,836	\$ —
	\$ 1,633,836	\$ —

NOTE 5 – CASH AND CASH EQUIVALENTS

As of September 30, 2023, the Company held cash in bank in the amount of \$1,416,885, which consist of the following:

	September 30, 2023	December 31, 2022
Bank Deposits-USA	\$ —	\$ 24,232
Bank Deposits- Outside USA	1,416,885	—
	<u>\$ 1,416,885</u>	<u>\$ 24,232</u>

NOTE 6 – DIGITAL ASSETS

As of September 30, 2023, digital assets holdings are as follow:

	September 30, 2023	December 31, 2022
Opening balance	\$ —	\$ —
Purchase of BTC	24,990,000	—
Impairment losses of digital assets	(3,059,342)	—
Ending balance	<u>\$ 21,930,658</u>	<u>\$ —</u>

As of September 30, 2023, the Company has purchase approximately 833 BTC at the total cost of \$24,990,000. For the nine months ended September 30, 2023, the Company recognized impairment loss of \$3,059,342 on digital assets.

Digital assets are available for sales and there is no term of maturity, it will be held for less than one year and can be sold at any time.

NOTE 7 – ACCOUNT RECEIVABLES

As of September 30, 2023, accounts receivable are related to the services fee receivables from customers as follow:

	September 30, 2023	December 31, 2022
Accounts Receivables	<u>\$ 129,764</u>	<u>\$ —</u>

The Company does not require collateral for accounts receivable. The Company maintains an allowance for its doubtful accounts receivable due to estimated credit losses. The Company records the allowance against bad debt expense through the condensed consolidated statements of operations, included in general and administrative expense, up to the amount of revenues recognized to date. Receivables are written off and charged against the recorded allowance when the Company has exhausted collection efforts without success.

NOTE 8 – PREPAYMENTS

As of September 30, 2023, prepayments consist of the following:

	September 30, 2023	December 31, 2022
Digital assets	\$ 12,125,500	\$ —
Others	—	50,000
	<u>\$ 12,125,500</u>	<u>\$ 50,000</u>

As of September 30, 2023, there are prepayment of approximately \$12,125,500 for the 40% prepayment of 1000 BTC, which is expected to be delivered by May 2024 with the lock up price of \$30,000 per BTC.

NOTE 9 – AMOUNT DUE TO RELATED PARTIES

	September 30, 2023	December 31, 2022
Related parties payable	\$ 365,877	\$ 377,464
Amount due to shareholders	411,806	155,832
Director fee payable	896,000	770,000
	<u>\$ 1,673,683</u>	<u>\$ 1,303,296</u>

The related party balance of \$365,877 represented advances from former shareholders for Company's daily operation.

As of September 30, 2023, the amount due to shareholders of \$411,806 represented advances and professional expenses paid on behalf by Shareholders, which consist of audit fees, lawyers' fee and other professional expenses.

As of September 30, 2023, the director fee payable of \$896,000 represented the accrual of director fees from the appointment date to September 30, 2023.

The amount due to related parties are interest free, no collateral and have no fixed of repayment period.

NOTE 10 – ACCRUED EXPENSES

As of September 30, 2023, accrued expenses consists of outsourcing expenses of software developments as follow:

	September 30, 2023	December 31, 2022
Software development fee for outsource staffs	\$ 270,864	\$ —

NOTE 11 – DISCONTINUED OPERATIONS

On September 29, 2023, the Company’s Board of Directors passed a resolution to dissolve the operation of WeTrade Information System Limited and its wholly owned subsidiaries, resulting in a loss from discontinued operation of \$1,124,675. The consideration of disposal of subsidiaries are based on its net asset value (“NAV”) and due to deteriorate of SAAS business and high turnover rate of account receivables in PRC operation. Loss from discontinued operations for the period ended September 30, 2023 and 2022 was as follows:

	Nine Months ended September 30 2023	Nine Months ended September 30 2022
Revenue:		
Service revenue	\$ 596,162	\$ 9,197,681
Cost of revenue	(993,127)	(7,670,837)
Gross (loss)/profit	(396,965)	1,526,844
Operating expenses:		
General and Administrative	11,998,680	3,619,568
Operations Loss	(12,395,645)	(2,092,724)
Other revenue	11,302,830	308,360
Loss from discontinued operations before income tax	(1,092,815)	(1,784,364)
Income tax (expense)/income	(31,860)	45,795
Loss from discontinued operation after tax	(1,124,675)	(1,738,569)
Loss from discontinued operation	\$ (1,124,675)	\$ (1,738,569)

The major components of assets and liabilities related to discontinued operations are summarized below:

	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 938	\$ 20,001,263
Accounts receivables	—	7,377,801
Loan receivables	7,246,164	1,614,840
Prepayments	3,394,583	9,219,947
Property and equipment, net	736,995	1,821,429
Intangible asset	18,365	23,188
Other receivables	708,702	291,040
Total assets related to discontinued operations	12,105,747	40,349,508
Account payables	\$ 212,173	\$ 425,053
Other payables	7,460,121	2,743,382
Total liabilities related to discontinued operations	\$ 7,672,294	\$ 3,168,435

NOTE 12 – SHAREHOLDERS' EQUITY

The Company has an unlimited number of ordinary shares authorized, and has issued 2,625,130 shares with no par value as of September 30, 2023.

On March 29, 2019, the Company has issued 100,000,000 shares with no par value to thirty-three founders. On September 3, 2019, the Company has issued a total 74,000 shares at \$3 each to 5 non-US shareholders. The total outstanding shares has increased to 100,074,000 shares as of December 31, 2019.

In February 2020, there are 1,666,666 shares were issued at \$3 per share to 2 new shareholders. On July 10, 2020, the Company issued another 26,000 shares at \$3 per share to 2 new shareholders and the total outstanding shares has increased to 101,766,666 shares.

On September 15, 2020, the Wyoming Secretary of State approved the Company's certificate of amendment to amend its Articles of Incorporation to effect 3 for 1 forward stock split. The total issued and outstanding shares of the Company's common stock has been increased from 101,766,666 to 305,299,998 shares, with the par value unchanged at zero.

On September 21, 2020, there are 151,500 shares issued at \$5 per share to 303 new shareholders, the Company's common stock issued has been increased to 305,451,498 shares as of December 31, 2020.

On April 13, 2022, the Company and 15 shareholders entered into that certain Share Exchange Agreement (the "Share Exchange Agreement"), pursuant to which Company and the 15 Shareholders have cancelled 120,418,995 shares of Common Stock ("Cancellation Shares"). Upon completion of the transaction, the outstanding shares of the Company's Common Stock has been decreased from 305,451,498 shares to 185,032,503 shares as of June 30, 2022.

On July 21, 2022, the Company completed uplisting of its common stock to the Nasdaq Capital Market, and the closing of its public offering of 10,000,000 shares of common stock with the gross proceeds of \$40,000,000 and net proceeds of \$37,057,176 after deducting the total offering cost of \$2,942,824. The shares were priced at \$4.00 per share, and the offering was conducted on a firm commitment basis. The shares continue to trade under the stock symbol "WETG." The Company's total issued and outstanding common stock has been increased to 195,032,503 shares after the offering.

On July 22, 2022, the Company issued 25,000 shares of common stock to certain service providers for services in connection with the public offering, the fair value of the share was \$477,500. The Company's total issued and outstanding common stock has been increased to 195,057,503 shares in 2022.

On June 9, 2023, the Wyoming Secretary of State approved the Company's certificate of amendment to amend its Articles of Incorporation to effect 1 for 185 reverse stock split ("Reverse Stock Split"). The total issued and outstanding shares of the Company's common stock decreased from 195,057,503 to 1,054,530 shares, with the par value unchanged at zero .

In September, 2023, there are 1,570,600 shares issued with the total amount of \$12,616,454, the Company's common stock issued has been increased to 2,625,130 shares as of September 30, 2023.

NOTE 13 – INCOME TAXES

The Company is subject to U.S. Federal tax laws. The Company has not recognized an income tax benefit for its operating losses in the United States because the Company does not expect to commence active operations in the United States.

UTour Pte Ltd ("UTour") was incorporated in Singapore and is subject to Singapore profits tax at a tax rate of 17%. Since UTour had no taxable income during the reporting period, it has not paid Singapore profits taxes. UTour has not recognized an income tax benefit for its operating losses in Singapore because it does not expect to commence active operations in Singapore.

There are several subsidiaries were incorporated in Hong Kong and are subject to Hong Kong profits tax at a tax rate of 16.5%.

The Company is currently conducting its certain operations in the PRC through its subsidiaries, which are subject to tax from 15% to 25%.

NOTE 14- SUBSEQUENT EVENTS

Change of Company name

On January 31, 2024 The Company has been filed with the Securities and Exchange Commission, pursuant to Section 14C of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), for the name change of the Company, from “WeTrade Group Inc.” to “Next Technology Holding Inc.”; and be it further, changes its Nasdaq Trading Symbol from “WETG” to “NXTT”; and be it further, authorized that the first article of the Company’s Articles of Incorporation is revised to read as follows: “Next Technology Holding Inc.”, which expect will be effective in end March 2024.

Other Events

On November 7, 2023, the Chancery Court issued a temporary restraining order primarily restraining the plaintiff-shareholders and their affiliates (including former director-Zheng Dai, Pijun Liu, and Lina Jiang) from claiming to act on behalf of the Company. On November 30, 2023, the Company responded to plaintiffs’ arguments that they controlled WeTrade, pointing out that plaintiffs’ case was largely built upon forged signatures and other fabricated materials. In response, the plaintiffs withdrew their opposition to the Company’s request for an injunction. On January 5, 2024, the Chancery Court entered a preliminary injunction order (attached hereto). Specifically, the order restrained plaintiff-shareholders and their affiliates from the following conduct:

- (i) acting as or holding themselves out as majority shareholders, directors, executives, or employees of the Company and its affiliates;
- (ii) making any attempts to contact the SEC, Nasdaq, government authorities, or make any filing or press release on behalf of the Company;
- (iii) making any attempts to change the board composition and executive team;
- (iv) disseminating false statements regarding the Company and its leadership;
- (v) making any attempts to contact the Company’s service providers, including auditors, stock transfer agents, and filing agents;
- (vi) making any attempts to issue the Company’s shares.

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

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this report. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. See “Cautionary Note Regarding Forward-Looking Statements.” Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors discussed elsewhere in this report.

Business

WeTrade Group, Inc was incorporated in the State of Wyoming on March 28, 2019. We currently pursue two corporate strategies. One business strategy is to continue providing software development services, and the other strategy is to acquire and hold bitcoin.

Software development

We provide AI-enabled software development services to our customers, which included developing, designing, and implementing various SAAS software solutions for businesses of all types, including industrial and other businesses.

Bitcoin Acquisition Strategy

Our bitcoin acquisition strategy generally involves acquiring bitcoin with our liquid assets that exceed working capital requirements, and from time to time, subject to market conditions, issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase bitcoin.

We view our bitcoin holdings as long-term holdings and expect to continue to accumulate bitcoin. We have not set any specific target for the amount of bitcoin we seek to hold, and we will continue to monitor market conditions in determining whether to engage in additional financings to purchase additional bitcoin.

This overall strategy also contemplates that we may (i) periodically sell bitcoin for general corporate purposes, including to generate cash for treasury management or in connection with strategies that generate tax benefits in accordance with applicable law, (ii) enter into additional capital raising transactions that are collateralized by our bitcoin holdings, and (iii) consider pursuing additional strategies to create income streams or otherwise generate funds using our bitcoin holdings.

We believe that, due to its limited supply, bitcoin offers the opportunity for appreciation in value if its adoption increases and has the potential to serve as a hedge against inflation in the long-term.

Results of Operations

Results of Operations for the Nine months period Ended September 30, 2023 and 2022

The following tables provide a comparison of a summary of our results of operations for the nine months period ended September 30, 2023 and 2022.

	For the period September 30, 2023	From the period September 30, 2022
Revenue:		
Service revenue	\$ 1,633,836	\$ —
Cost of Revenue	(398,537)	—
Gross profit	1,235,299	—
Operating Expenses:		
Impairment losses on digital assets	3,059,342	—
General and administrative expenses	1,526,531	(6,800,305)
Operation loss	(3,350,574)	(6,800,305)
Other (expenses) /income	(10,935,694)	—
Net loss before income tax	(14,286,268)	(6,800,305)
Income tax expense	—	—
Net loss	(14,286,268)	(6,800,305)

Revenue from Operations

For the nine-month period ended September 30, 2023 and 2022, total revenue was \$1,633,836 and \$nil respectively, the revenue is mainly generated from the AI software development and SAAS software solutions for industrial and other businesses users.

Cost of revenue

Cost of revenue mainly consists of staff payroll, system development costs and outsourcing staff cost for system development, which is in line with the increase in revenue during the period.

General and Administrative Expenses

For the nine months period ended September 30, 2023 and 2022, general and administrative expenses were \$1,526,531 and \$6,800,305 respectively. The decrease is mainly due to lesser expenses were incurred for the Nasdaq IPO professional fees in Q3 2023 as compare to the prior period.

Other Income/(Expenses)

The other expenses of \$10,935,694 is mainly due to the loan waiver of amount due from related companies during the period.

Net Loss

As a result of the factors described above, there was a net loss of \$14,286,268 and net loss of \$6,800,305 for the period ended September 30, 2023 and 2022, respectively. The increase in net loss is mainly due to the loan waiver of amount due from related companies during the period.

Results of Operations for the three months period Ended September 30, 2023 and 2022

The following tables provide a comparison of a summary of our results of operations for the three months period ended September 30, 2023 and 2022.

	For the period September 30, 2023	From the period September 30, 2022
Revenue:		
Service revenue- related parties	\$ 1,633,836	\$ —
Cost of Revenue	(398,537)	—
Gross Profit	1,235,299	—
Operating Expenses:		
Impairment losses on digital assets	3,059,342	—
General and administrative expenses	1,526,531	6,315,959
Operation Loss	(3,350,574)	(6,315,959)
Other (expenses)/income	(10,935,694)	21,958
Net Loss before income tax	(14,286,268)	(6,294,001)
Income tax expense	—	—
Net Loss	(14,286,268)	(6,294,001)

Revenue from Operations

For the three-month period ended September 30, 2023 and 2022, total revenue was \$1,633,836 and \$nil respectively, the revenue is mainly generated from the AI software development and SAAS software solutions for industrial and other businesses users.

Cost of revenue

Cost of revenue mainly consists of staff payroll, system development costs and outsourcing staff cost for system development, which is in line with the increase in revenue during the period.

General and Administrative Expenses

For the nine months period ended September 30, 2023 and 2022, general and administrative expenses were \$1,526,531 and \$6,315,959 respectively. The decrease is mainly due to no expenses were incurred for the Nasdaq IPO professional fees in Q3 2023 as compare to the prior period.

Other Expenses

The other expenses of \$10,935,694 is mainly due to the loan waiver of amount due from related companies during the period.

Net Loss

As a result of the factors described above, there was a net loss of \$14,286,268 and net loss of \$6,294,001 for the period ended September 30, 2023 and 2022, respectively. The increase in net loss is mainly due to the loan waiver of amount due from related companies of \$10,935,694 and impairment losses on digital assets of \$3,059,342 during the period.

Liquidity and Capital Resources

As of September 30, 2023, we had cash on hand of \$1,416,885. The increase is mainly due to the proceed from disposal of subsidiaries of \$4,500,000 during the period.

Operating activities

As of September 30, 2023, our cash flow provided by operating activities is \$8,883,987 for the period ended September 30, 2023 as compared to the cash flow used in operating activities of \$40,801,222 in prior period. The increase was mainly due to increase in assets related to discontinued operation as compare to the prior period.

Investing activities

As of September 30, 2023, cash used in investing activities is \$24,990,000 for the period ended September 30, 2023 as compared to the cash flow provided by investing activities of \$433,119 in prior period. The increase was mainly due to acquire of 833 BTC for the approximately \$25 million in cash during the period.

Financing activities

Cash provided by our financing activities was \$17,498,841 for the period ended September 30, 2023 as compared to cash provided by financing activities of \$41,266,941. The decrease is mainly due to lesser in share placement of approximately \$12.6 million during the period as compare to the share placement of \$37.5 million in prior period.

Inflation

Inflation does not materially affect our business or the results of our operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

We prepare our financial statements in accordance with generally accepted accounting principles of the United States ("GAAP"). GAAP represents a comprehensive set of accounting and disclosure rules and requirements. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Our actual results could differ from those estimates. We use historical data to assist in the forecast of our future results. Deviations from our projections are addressed when our financials are reviewed on a monthly basis. This allows us to be proactive in our approach to managing our business. It also allows us to rely on proven data rather than having to make assumptions regarding our estimates.

Recent Accounting Pronouncements

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and we do not believe any of these pronouncements will have a material impact on the Company financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a “smaller reporting company” as defined by Item 10(f)(1) of Regulation S-K, and as such are not required to provide the information contained in this item pursuant to Item 305 of Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES***Disclosure Controls and Procedures.***

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed under the supervision of the Company’s Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

With respect to the period ended September 30, 2023, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934.

Based upon our evaluation regarding the period ended September 30, 2023, the Company’s management, including its Principal Executive Officer, has concluded that its disclosure controls and procedures were not effective due to the Company’s limited internal resources and lack of ability to have multiple levels of transaction review. Material weaknesses noted are lack of an audit committee, lack of a majority of outside directors on the board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; and management is dominated by two individuals, without adequate compensating controls. However, management believes the financial statements and other information presented herewith are materially correct.

Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2023. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control - Integrated Framework - Guidance for Smaller Public Companies (the COSO criteria). Based on our assessment, management identified material weaknesses related to: (i) our internal audit functions; (ii) a lack of segregation of duties within accounting functions; and the lack of multiple levels of review of our accounting data. Based on this evaluation, our management concluded that as of September 30, 2023, we did not maintain effective internal control over financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with any policies and procedures may deteriorate. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. To the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals. With proper funding we plan on remediating the significant deficiencies identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate.

A material weakness is a control deficiency (within the meaning of Public Company Accounting Oversight Board Auditing Standard No. 5) or combination of control deficiencies, that results 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.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Since mid-September 2023, Mr. Zheng Dai, Mr. Pijun Liu, and certain individuals under their control (the “Unauthorized Persons”) had been falsely and repeatedly holding themselves out as representing and/or authorized to represent the Company. For example, the Unauthorized Persons caused to be filed certain current reports on Forms 8-K dated September 28, 2023 and October 10, 2023, in which they purported to appoint new officers and directors. These filings were false and should be disregarded.

On September 28, 2023, a derivative lawsuit was filed by certain purported shareholders affiliated with the Unauthorized Persons in the United States District Court for the District of Wyoming against certain officers and directors of the Company, seeking control of the Company. This case was dismissed without prejudice on October 18, 2023.

On October 18, 2023, the same individuals who filed the above-described derivative suit filed a direct action against the Company in the Chancery Court of the State of Wyoming (the “Chancery Court”), again seeking control of the Company. The Company responded to the lawsuit, sought a temporary restraining order restraining the plaintiff-shareholders and their affiliates (including the Unauthorized Persons) from claiming to be in control of the Company.

On November 7, 2023, the Chancery Court issued a temporary restraining order substantially restraining the plaintiff-shareholders and their affiliates from claiming to act on behalf of the Company. The lawsuit remains pending as at reporting date..

ITEM 1A. RISK FACTORS

We are a “smaller reporting company” as defined by Item 10(f)(1) of Regulation S-K, and as such are not required to provide the information contained in this item.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No senior securities were issued and outstanding during the nine months ended September 30, 2023.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable to our Company.

ITEM 5. OTHER INFORMATION

On June 9, 2023, the Wyoming Secretary of State approved the Company’s certificate of amendment to amend its Articles of Incorporation to effect 1 for 185 Reverse Stock Split. The total issued and outstanding shares of the Company’s common stock decreased from 195,057,503 to 1,054,364 shares, with the par value unchanged at zero.

The Reverse Stock Split is intended to more expediently enable the Company to regain compliance to achieve a minimum bid price of \$1.00 per share for continued listing on Nasdaq, as set forth in Nasdaq Listing Rule 5550(a)(2) (the “Minimum Bid Requirement”). As a result of the Reverse Stock Split, every one-for-one hundred and eighty-five (185) shares of the Company’s Common Stock then issued and outstanding will automatically, and without any action of the Company or any holder thereof, be combined, converted, and changed into one (1) validly issued and non-assessable share of Common Stock. No fractional shares will be issued to any shareholder, and in lieu of issuing any such fractional shares, the fractional shares resulting from the Reverse Stock Split will be rounded up to the nearest whole share of Common Stock.

In September, 2023, there are 1,570,600 shares issued with the total amount of \$12,616,454, the Company’s common stock issued has been increased to 2,625,130 shares as of September 30, 2023.

ITEM 6. EXHIBITS**Exhibit**

No.	Description
<u>31.1</u>	<u>Certification of Principal Executive Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Filed herewith</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Filed herewith</u>
<u>32.1</u>	<u>Certification of Chief Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Filed herewith</u>
<u>32.2</u>	<u>Certification of Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Filed herewith</u>
101	Financial statements from the quarterly report on Form 10-Q of Wetrade Group Inc for the fiscal quarter ended September 30, 2023, formatted in XBRL: (i) the Balance Sheet; (ii) the Statement of Income; (iii) the Statement of Cash Flows; and (iv) the Notes to the Financial Statements <i>Filed herewith</i>

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.

Dated: April 1, 2024

WETRADE GROUP INC

By: /s/ Liu Wei Hong

Wei Hong Liu

Chief Executive Officer

/s/ Ken Tsang

Ken Tsang

Chief Financial Officer