ASIA8, INC.
Form 10-Q
November 15, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

þ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 30, 2010**.

o Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ________ to ________.

Commission file number: **000-27735**

ASIA8, INC.

(Exact name of registrant as specified in its charter)

Nevada	**77-0438927**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2465 W. 12th St. Suite 2, Tempe, Arizona 85281-6935

(Address of principal executive offices) (Zip Code)

(480) 505-0070

(Registrant s telephone number, including area code)

N/A

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

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 þ No o.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act:

Large accelerated filer o Accelerated filer o Non-accelerated filer o Smaller reporting company þ

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

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date. The number of shares outstanding of the issuer s common stock, $0.001 par value (the only class of voting stock), at November 15, 2010, was 24,411,360.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms Company, we, our, and us refer to Asia8, Inc., a Nevada corporation, and our subsidiaries and predecessors, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

ASIA8, INC.
Balance Sheets

ASSETS	Unaudited September 30 2010	Audited December 31 2009
CURRENT ASSETS		
Cash	$ 6,212	$ 2,510
Accounts receivable	-	-
Other current assets	3,594	-
Total Current Assets	9,806	2,510
EQUIPMENT, Net	-	719
OTHER ASSETS		
Investments	1,754,969	2,204,634
Other non-current assets	-	-
Total Other Assets	1,754,969	2,204,634
TOTAL ASSETS	$ 1,764,775	$ 2,207,863
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 196,168	$ 139,028
Notes payable - related party	-	-
Total Current Liabilities	196,168	139,028
TOTAL LIABILITIES	196,168	139,028
STOCKHOLDERS' EQUITY		
Preferred stock: 25,000,000 shares authorized; $0.001 par value; 2,280 shares issued and outstanding	2	2
Common stock: 100,000,000 shares authorized; $0.001 par value; 24,411,360 and 24,156,078 shares issued and outstanding, respectively	24,411	24,411
Additional paid-in capital	3,621,210	3,621,210
Accumulated deficit	(2,077,016)	(1,576,788)

Total Stockholders' Equity	1,568,607	2,068,835
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,764,775	$ 2,207,863

The accompanying notes are an integral part of these financial statements

ASIA8, INC.
Statements of Operations
Unaudited

	Three months ended September 30		Nine months ended September 30	
	2010	**2009**	**2010**	**2009**
REVENUES	$ -	$ -	$ -	$ -
COST OF GOODS SOLD	-	-	-	-
GROSS PROFIT	-	-	-	-
OPERATING EXPENSES :				
General and administrative	11,030	44,742	34,454	139,232
Depreciation and amortization	240	239	719	2,760
TOTAL OPERATING EXPENSES	11,270	44,981	35,173	141,992
OTHER INCOME (EXPENSES)				
Other income	-	22,089	-	35,413
Preferred stock dividend	(5,130)	(5,130)	(15,390)	(15,390)
Interest income	-	-	-	11
Income (loss) from equity investment	(20,212)	(951,925)	(449,665)	(859,835)
Impairment of goodwill	-	(224,000)	-	(224,000)
TOTAL OTHER INCOME (EXPENSES)	(25,342)	(1,158,966)	(465,055)	(1,063,800)
NET INCOME (LOSS)	$ (36,612)	$ (1,203,947)	$ (500,228)	$(1,205,792)
BASIC INCOME (LOSS) PER SHARE	$ (0.00)	$ (0.05)	$ (0.02)	$ (0.05)
FULLY DILUTED INCOME (LOSS) PER SHARE	$ (0.00)	$ (0.05)	$ (0.02)	$ (0.05)
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	24,156,078	24,156,078	24,156,078	24,156,078
FULLY DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	24,156,078	24,156,078	24,156,078	24,156,078

The accompanying notes are an integral part of these financial statements

ASIA8, INC.

Statements of Cash Flows
Unaudited

	For the nine months ended September 30 2010	2009
OPERATING ACTIVITIES		
Net income (loss)	$ (500,228)	$ (1,205,792)
Adjustments to reconcile net loss to		
net cash used by operating activities:		
Depreciation expense	719	2,760
(Gain) Loss on equity investment	449,665	859,834
(Gain) Loss on disposition of assets	-	(2,410)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	-	31,065
(Increase) decrease in inventory	-	-
(Increase) decrease in other current assets	(3,594)	-
Increase (decrease) in accounts payable and accrued expenses	57,140	26,132
Net Cash Provided (Used) in Operating Activities	3,702	(288,410)
INVESTING ACTIVITIES		
Impairment of goodwill	-	224,000
Proceed from sale of fixed assets	-	15,000
Net cash provided by investing activities	-	239,000
FINIANCING ACTIVITIES		
Increase in notes payable	-	23,822
Proceeds from note receivable	-	-
Net Cash Provided by Financing Activities	-	23,822
NET INCREASE (DECREASE) IN CASH	3,702	(25,588)
CASH AT BEGINNING OF PERIOD	2,510	26,940

CASH AT END OF PERIOD	$	6,212	$	1,352

The accompanying notes are an integral part of these financial statements

ASIA8, INC.
Notes to the Financial Statements

September 30, 2010

NOTE 1 - ORGANIZATION AND HISTORY

Asia8, Inc. (the Company), a Nevada corporation, was incorporated in September of 1996. The Company was formerly known as H&L Investments, Inc.

The name of the corporation was changed to Asia4sale.com, Inc. , on December 22, 1999 and a Certificate of Amendment of Articles of Incorporation duly filed with the Office of the Secretary of State for the State of Nevada on December 29, 1999. The Company changed its name with the intent to acquire Asia4Sale.com, Ltd., a Hong Kong registered software development company (LTD) which was incorporated in March of 1999. At that time the Company had 1,000,000 shares of common stock outstanding and no assets or liabilities. The acquisition of LTD took place in February 2000, when the Company issued 9,000,000 common shares to acquire LTD. On December 11, 2000, the Company executed a one for one stock dividend.

The Company thus became a software development company in the process of designing and building a web based system for B2B and B2C selling, bartering, and auctioning of consumer goods and services to the Asian market place.

In 2000 the Company spent significant funds developing its software and attempting to market its software through various media channels. The development and marketing operations, handled through wholly owned subsidiary LTD., were ceased in mid 2000 due to lack of acceptance of the Company s products and an overall downturn in the popularity of emerging B2C and B2B products. The Company eventually sold Asia4Sale.com, Ltd., to an unrelated party in January of 2005.

During June of 2000, the Company paid $970,000 to acquire 49% of World Wide Auctioneers, Inc., a Nevada registered corporation, holding 100% of British Virgin Island registered company World Wide Auctioneers, Ltd. In August of 2003, World Wide Auctioneers, Inc. sold 100% of its subsidiary World Wide Auctioneers, Ltd., to a Nevada registered company WWA Group, Inc. (WWA Group), in a stock for stock transaction whereby WWA stock was issued to owners of World Wide Auctioneers, Inc., in exchange for ownership of World Wide Auctioneers, Ltd. The exchange caused the Company to acquire a minority equity investment in WWA Group.

On April 20, 2007, the Company held a special meeting of shareholders to amend its articles of incorporation to change the name to Asia8, Inc. , to amend its articles of incorporation to create a preferred class of shares of 25,000,000 shares par value $0.001, and to authorize the board of directors to effect a one share for two shares reverse split of its common stock effective April 27, 2007.

The shareholders approved the proposed amendments to the Company s articles of incorporation and authorized the board of directors to effect a one share for two shares reverse split of its common stock. All references to common stock in these financial statements have been retroactively restated so as to incorporate the effect of the reverse stock-split.

The Company was funded by a group of several non-US investors that invested $2,280,558 cash into the Company s treasury during 2000 through 2002. The Company issued 6,200,960 (post April 2007 reverse-stock split) shares of its common stock in 2000 through 2002 in return for this investment.

ASIA8, INC.
Notes to the Financial Statements

September 30, 2010

NOTE 2 GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liabilities in the normal course of business. Accordingly, they do not include any adjustments relating to the realization of the carrying value of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company has accumulated losses and working capital and cash flows from operations are negative which raises doubt as to the validity of the going concern assumptions. These financials do not include any adjustments to the carrying value of the assets and liabilities, the reported revenues and expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate; such adjustments could be material.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Method

The Company s financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year-end.

b. Basic Loss Per Share

For the Three Months Ended September 30, 2010

Income (Numerator)	Shares (Denominator)	Per-Share Amount
$ (36,612)	24,156,078	$ (0.00)

For the Three Months Ended September 30, 2009

Income (Numerator)	Shares (Denominator)	Per Share Amount
$ (1,203,947)	24,156,078	$ (0.05)

The computations of basic income per share of common stock are based on the weighted average number of shares outstanding at the date of the financial statements. There are no common stock equivalents outstanding.

ASIA8, INC.
Notes to the Financial Statements

September 30, 2010

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

c. Recent Accounting Pronouncements

In April 2010, new accounting guidance was issued for the milestone method of revenue recognition. Under the new guidance, an entity can recognize revenue from consideration that is contingent upon achievement of a milestone in the period in which the milestone is achieved only if the milestone meets all criteria to be considered substantive. This guidance is effective prospectively for milestones achieved in fiscal years, and interim period within those years, beginning on or after June 15, 2010. The adoption of this guidance did not significantly impact the Company s condensed consolidated financial statements. This guidance was incorporated into the Company s recognition of revenue.

Management believes the impact of other recently issued standards and updates, which are not yet effective, will not have a material impact on the Company s consolidated financial position, results of operations or cash flows upon adoption.

NOTE 4 - EQUITY INVESTMENT

In August 2000 the Company paid $970,000 cash to acquire 49% of World Wide Auctioneers, Inc., a Nevada registered company holding 100% of British Virgin Island registered company World Wide Auctioneers, Ltd. In August 2003 World Wide Auctioneers, Inc., sold 100% of its subsidiary World Wide Auctioneers, Ltd., to Nevada registered company WWA Group, Inc. (WWA Group), in a stock for stock transaction whereby the stock of WWA Group was issued directly to owners of World Wide Auctioneers, Inc. The Company was issued 7,525,000 shares of WWA Group in 2003, comprising 47.5% of the issued and outstanding stock of WWA Group. At September 30, 2010, the Company owned 32% of the issued and outstanding WWA Group common stock.

Condensed financial information of WWA Group:

	As at September 30, 2010	As at December 31, 2009
Cash	$ 2,569,304	$ 8,636,411

Receivables	8,742,223	4,464,014
Other current assets	10,528,378	10,730,020
Fixed assets	6,844,608	6,409,532
Other assets	1,584,277	1,523,116
Total Assets	$ 30,268,790	$ 31,763,093
Auction payables	$ 566,126	$ 8,068,708
Other current liabilities	22,675,505	16,986,355
Long-term debt	2,437,637	726,788
Common stock	22,592	22,592
Additional paid-in capital	4,449,080	4,449,080
Retained earnings	117,850	1,509,570
Total Liabilities and Stockholders' Equity	$ 30,268,790	$ 31,763,093

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ASIA8, INC.
Notes to the Financial Statements

September 30, 2010

NOTE 4 - EQUITY INVESTMENT

Condensed financial information of WWA Group:

	For the three months ended September 30, 2010	2009
Net revenues	$ 10,329,056	$ 8,144,798
Direct costs	(9,092,995)	(9,151,097)
Operating expenses	(975,016)	(1,612,181)
Other income (expense)	(323,602)	(327,741)
Income taxes	-	-
Net Income (Loss)	$ (62,558)	$ (2,946,223)

NOTE 5- EQUITY TRANSACTIONS

In 2009, the Company issued 255,282 shares of common stock for cash at $0.16 per share. In 2008, the Company issued 1,084,243 shares of common stock by converting notes payables into equity at $0.16 per share. In 2007, the Company issued 2,124,250 shares of common stock for cash at prices ranging from $0.08 to $0.16 per share for a total value of $304,800.

During the year ended December 31, 2008 the Company issued 1,280 shares of preferred stock for cash at $100 per share. During the year ended December 31, 2007, the Company issued 1,000 shares of common stock at $100 per share. The each share of preferred stock is convertible to 400 shares of common stock. The Series 1 preferred shares have a coupon rate of 9% interest per annum, with no redemption provision.

NOTE 6 - ADDITIONAL FOOTNOTES INCLUDED BY REFERENCE

Except as indicated in the Note 1 through Note 4, above, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company s Form 10-K for the year-ended December 31, 2009. Therefore, those footnotes are included herein by reference.

NOTE 7 USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles in United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

ASIA8, INC.
Notes to the Financial Statements

September 30, 2010

NOTE 8 SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through November 15 , 2010, and determined there is only one event to disclose:

Effective October 31, 2010, WWA Group concluded a Share Purchase Agreement (the Agreement) to sell World Wide Auctioneers, Ltd., to Seven International Holdings, Ltd. (Seven), a Hong Kong based investment company. There is no material relationship between WWA Group and Seven. Pursuant to the Agreement, WWA Group sold 50,000 shares of World Wide Auctioneers, Ltd., which is 100% of the issued and outstanding ownership, for ten dollars and other good and valuable consideration. The Agreement involves an assumption by Seven of all the assets and liabilities of World Wide Auctioneers, Ltd., resulting in a net gain to WWA Group. The sale does not affect WWA Group s equity position and other assets related to Infrastructure, WWA Group s stake in Asset Forum LLC, and WWA Group s on-line auction software that was developed in house. WWA Group will assist in the management of World Wide Auctioneers, Ltd., during a transitional period that will extend until April 30, 2011.

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

This *Management s Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as anticipates, expects, believes, plans, predicts, and similar terms. Forward-loo statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. All information presented herein is based on our period ended September 30, 2010. Our fiscal year end is December 31.

Discussion and Analysis

The Company s current focus is to (i) work with WWA Group, Inc. (WWA Group), an unconsolidated entity in which we it holds a 32% interest as a means to generate a return on investment, and (ii) work with Infrastructure Developments Corp. (Infrastructure) to distribute Wing House mobile shelter systems.

WWA Group

World Wide Auctioneers, Ltd. (World Wide Auctioneers) holds heavy equipment auctions in various parts of the world from its base in Dubai, UAE. The Company first became involved with World Wide Auctioneers in 2000 through investment based on the prospect of future value appreciation. During the third quarter of 2003 World Wide Auctioneers was acquired by WWA Group, a trading public company. World Wide Auctioneers has since developed a significant customer base with recurring revenue that lead to a dominant market share in Dubai. However, the recent downturn in the global economy has had a major affect on the results of operations associated with World Wide Auctioneers business. Accordingly, WWA Group sold World Wide Auctioneers to an unrelated party effective October 31, 2010.

The sale of World Wide Auctioneers does not affect WWA Group s equity position and other assets related to (i) Infrastructure, (ii) its on-line auction software, and (iii) WWA Group s interest in Asset Forum.

Since the relationship between the Company and WWA Group is one of common control, the Company benefits from the contacts and business development opportunities generated by WWA Group s business activities. We intend to provide additional financial and business support to WWA Group as necessary to help grow the value of our equity interest.

Wing House Mobile Shelters

We continue to market Wing House office units and mobile shelters for sale or rental on a 60-day delivery schedule from order date. Despite our efforts to negotiate financing with the manufacturer as a means to spur sales overall demand for this type of housing has receded. Infrastructure, a minority owned, unconsolidated subsidiary of WWA Group, is also marketing Wing House units as part of the tender process in efforts to generate demand for this product in Asia. Should Infrastructure be successful in its efforts to sell Wing House units it will share gross profits with the Company on any sales or rentals realized.

Unic Cranes

Due to the economic malaise in the construction sector, we do not intent to return to marketing Unic Cranes.

Expansion Plans into other Businesses

The Company is currently targeting operating businesses and assets that are priced at current market levels that do not rely on expanding economies to generate profit. Since the Company s ability to raise capital for acquisitions is limited, our current intention is to rely on stock for stock exchange transactions as a means by which to expand into new business opportunities.

Results of Operations

During the nine month period ending September 30, 2010 the Company failed to realize revenues from the sale of its products which failure resulted in net losses for the period. Nonetheless, the Company remains optimistic that Wing Houses are still in demand, and that a global economic recovery in 2010 will generate sales of Wing Houses in the near term. Sales of our products in future periods will enable us to expand our business.

Revenue and Gross Profit

The Company had no revenue or gross profits for the three months and nine months ended September 30, 2010 and 2009. We attribute this to the effect that a global recession has had on the demand for products for which we act as a distributor. We expect to realize revenue in future periods with a return to normalization in the global markets

Operating Expenses

General and administrative expenses for the three months ended September 30, 2010, were $11,270 as compared to $44,981 for the three months ended September 30, 2009. General and administrative expenses for the nine month period ended September 30, 2010 were $35,173 as compared to $141,992 for the nine months ended September 30, 2009. We expect that general and administrative expenses will remain at minimum levels until such time as the Company expands its business.

Depreciation and amortization expenses for the three months ended September 30, 2010 and 2009 were $240 and $239 respectively. Depreciation and amortization expenses for the nine month periods ended September 30, 2010 and 2009 were $719 and $2,760 respectively.

Other Expenses

Other expenses for the three months ended September 30, 2010 were $25,342 as compared to $1,158,966 for the three months ended September 30, 2009. Other expenses for the nine months ended September 30, 2010 were $465,055 as compared to $1,063,800 for the nine months ended September 30, 2009. Other expenses in all periods can be primarily attributed to a loss on equity investments tied to our interest in WWA Group, which expenses decreased considerably in the current three month period. We expect expenses related to the business operations of WWA Group to remain low in the near term with the sale of its auctioneering subsidiary World Wide Auctioneers.

Net Losses

Net loss for the three months ended September 30, 2010 was $36,612 as compared to net loss of $1,203,947 for the three months ended September 30, 2009. Net loss for the nine months ended September 30, 2010 was $500,228 as compared to $1,205,792 for the nine months ended September. The significant decrease in net losses in the current periods can be attributed to the decrease in losses associated with our equity investment in WWA Group. We expect to continue to realize net losses in the near term.

Capital Expenditures

The Company did not spend any significant amounts on capital expenditures during the nine months ended September 30, 2010.

Income Tax Expense (Benefit)

The Company may have an income tax benefit resulting from net operating losses to offset any future operating profit. However, the Company has not recorded this benefit in the financial statements because it cannot be assured that it will utilize the net operating losses carried forward in future years.

Impact of Inflation

The Company believes that inflation has had a negligible effect on operations over the past three years and that it has offset any inflationary increases by improving operating efficiencies. However, inflation has had a negative impact on the results of operations realized by WWA Group over the past 24 months which impact has affected the performance of our equity investment.

Liquidity and Capital Resources

At September 30, 2010, the Company had a working capital deficit of $186,362. Our current assets were $9,806 which included cash of $6,212 and other current assets of $3,594. Our total assets were $1,764,775 consisting primarily of our equity investment in WWA Group of $1,754,969. At September 30, 2010 our current and total liabilities were $196,168 and total stockholder equity was $1,568,607.

Cash flow provided by operating activities for the nine months ended September 30, 2010, was $3,702 as compared to cash flow used in operating activities of $288,410 for the nine months ended September 30, 2009. The transition to cash flow provided by operating activities in the current period from cash flow used in operating activities in the prior period can be attributed to a decrease in net losses and an increase in accounts payable. Until such time as our investment in WWA Group realizes a gain we expect to continue to use cash flows in operations.

The Company had no cash flow provided by investing activities for the nine months ended September 30, 2010 as compare to cash flow provided by investing activities of $239,000 for the nine months ended September 30, 2009. We expect cash flow provided by investing activities in future periods subject to the performance of our investment in WWA Group.

The Company had no cash flow provided by financing activities for the nine months ended September 30, 2010 as compared to $23,822 for the nine months ended September 30, 2009. We expect to realize cash flow from financing activities in the near term to ensure our ability to maintain operations.

The Company owns shares of WWA Group as an equity investment. The shares are restricted common stock in a publicly traded company with a current face market value of over $400,000. We could sell a portion of these shares, subject to the limitations imposed by Rule 144, as a source of operating funds.

The Company has reached an agreement to secure up to $500,000 from an investor in exchange for shares of Series 1 preferred stock secured by 500,000 shares of our WWA Group common stock. The Series 1 preferred shares are convertible into 400 shares of Company common stock, bear interest at 9% per annum, and have no redemption provision. The investor has subscribed to 2,280 Series 1 preferred shares in exchange for $228,000 as of the date of this report. We have the option of selling another $272,000 worth of preferred stock to the same investor on the same terms and conditions. We have yet to exercise this option.

We have been unable to generate sufficient cash flow from operations to cover expenditures during the nine months ended September 30, 2010. Until the point at which cash flow from operations covers expenditures, we will have to obtain additional working capital from debt or equity placements or sales of our marketable securities to continue our operations. Although we have a commitment for the provision of additional working capital, this commitment may prove to be insufficient. Our inability to cover short falls in cash flow would cause us to reduce expenditures which could have a material adverse effect on our business.

The Company does not expect to pay cash dividends in the foreseeable future.

The Company had no lines of credit or other bank financing arrangements.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors.

The Company has no current plans for the purchase or sale of any plant or equipment

Off Balance Sheet Arrangements

As of September 30, 2010, the Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to stockholders.

Critical Accounting Policies

In the notes to the audited financial statements for the year ended December 31, 2009, included in our Form 10-K, the Company discusses those accounting policies that are considered to be significant in determining the results of operations and our financial position. The Company believes that the accounting principles we utilized conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires our management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, we evaluate estimates. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions. With respect to revenue recognition, we apply the following critical accounting policies in the preparation of our financial statements.

Revenue Recognition

The Company generates revenue through the sale of its products on a private, commercial, and industrial basis. Revenue from product sales is recognized at the time the product is shipped and invoiced and collectability is reasonably assured. The Company believes that certain revenue should be recognized at the time of shipment as title passes to the customer at the time of shipment.

Forward Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled *Management s Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this current report, with the exception of historical facts, are forward looking statements. Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance;
- our ability to fund cash requirements for operations;
- uncertainties related to the growth of our business and the acceptance of products and services;
- our ability to realize sufficient revenues to expand operations;
- the volatility of the stock market; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than as required by law.

Stock-Based Compensation

The Company has adopted Accounting Standards Codification Topic (ASC) 718, formerly SFAS No. 123 (revised

2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise s equity instruments or that may be settled by the issuance of such equity instruments.

The Company has no outstanding stock options or related stock option expense.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 505. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services.

Recent Accounting Pronouncements

Please see Note 3 to our financial statements included herein for recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by the Company s management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). 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 in the Commission s rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company s management concluded, as of the end of the period covered by this report, that the Company s disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission s rules and forms, and that such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended September 30, 2010, that 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

On August 5, 2009 WWA Group received a Pre-Penalty Notice (Notice) from the Office of Foreign Assets Control (OFAC). The Notice was issued based on OFAC s belief that WWA Group has engaged in certain transactions prohibited by Executive Order(s) and or Regulations promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.* in connection with the facilitation of auction related services to Iran and Sudan. The perceived violations have caused OFAC to propose a civil monetary penalty of $4,665,600 be imposed on WWA Group subject to adjustment based on evidence presented in response to the Notice. The Notice process permits us to contact OFAC by telephone to initiate settlement discussions or otherwise provide a written response to the perceived violations within the permitted 30 day notice period prior to the issuance of a Penalty Notice. WWA Group has provided a written response to OFAC that presents evidence to negate the perception that it has operated in contravention of the laws of the U.S. and is now awaiting OFAC s response.

ITEM 1A. RISK FACTORS

The Company s operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

Risks Related to the Company s Business

IF THE COMPANY DOES NOT GENERATE SUFFICIENT CASH FLOW FROM OPERATIONS AND IS UNABLE TO OBTAIN ADDITIONAL CAPITAL TO OPERATE ITS BUSINESS, IT MAY NOT BE ABLE TO EFFECTIVELY CONTINUE OPERATIONS

As of September 30, 2010, the Company had a working capital deficit of $186,362. We will have to obtain additional working capital from debt or equity placements to effectively continue operations. Although, we have a commitment for the provision of additional working capital, this commitment may prove to be insufficient. Should we be unable to secure additional capital, such condition would cause us to reduce expenditures which would have a material adverse effect on our business.

MARKET ACCEPTANCE OF THE PRODUCTS WE HAVE DISTRIBUTION RIGHTS TO IS CRITICAL TO OUR GROWTH

The Company intends to continue to generate revenue from the sale of mobile shelters and may attempt to generate revenue from cranes in the future. As such, market acceptance of our products is critical. If our prospective customers do not accept or purchase these products, then our revenue, cash flow and/or operating results will be negatively impacted.

WE COMPETE WITH LARGER AND BETTER-FINANCED CORPORATIONS

Competition within the international market for mobile shelters and construction cranes is intense. While the products we are entitled to distribute are distinguished by next-generation innovations that are more sophisticated, flexible and cost effective than many competitive products currently in the market place, a number of entities offer construction cranes and mobile shelters and new competitors may enter the market in the future. Some of our existing and potential competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than we do, including well known multi-national corporations.

AS A DISTRIBUTOR WE DEPEND ON THE PERFORMANCE OF A THIRD PARTY MANUFACTURER

The Company relies on Renhe Manufacturing China to procure Wing House mobile shelters for distribution. Our business plan is reliant on the delivery of products from these respective manufacturers, which reliance reduces the level of control we have and exposes us to significant risks such as inadequate capacity, late delivery, substandard quality and higher prices, all of which could adversely affect the Company s performance.

OUR CHIEF EXECUTIVE OFFICER WILL NOT BE ABLE TO OFFER HIS UNDIVIDED ATTENTION TO THE COMPANY DUE TO HIS DUAL RESPONSIBILITIES

Our chief executive officer does not offer his undivided attention to our business as he also serves as the chief executive officer of WWA Group. His responsibilities cause him to divide his time, the majority of which is dedicated to the management and operation of WWA Group. The division of time however does not necessarily indicate a division of interests as the Company owns approximately 32% of the outstanding shares of WWA Group. Nonetheless, his dual responsibilities may compromise the Company s ability to successfully conduct its business operations.

THE COMPANY S SUCCESS DEPENDS ON OUR ABILITY TO RETAIN KEY PERSONNEL

The Company s future success will depend substantially on the continued services and performance of Eric Montandon in addition to the engagement of other key personnel The loss of the services of Eric Montandon could have a material adverse effect on our business prospects, financial condition and results of operations. Our future success also depends on the Company s ability to identify, attract, hire, train, retain and motivate technical, managerial and sales personnel. Competition for such personnel is intense, and we cannot assure that we will succeed in attracting and retaining such personnel. Our failure to attract and retain the necessary technical, managerial and sales personnel would have a material adverse effect on our business prospects, financial condition and results of operations.

OUR BUSINESS IS SUBJECT TO GOVERNMENTAL REGULATIONS

International, national and local standards set by governmental regulatory authorities set the regulations by which products are certified across respective territories. The products which we intend to distribute are subject to such regulation in addition to national, state and local taxation. Although we believe that we can successfully distribute our products within current governmental regulations it is possible that regulatory changes could negatively impact our operations and cause us to diminish or cease operations.

SALES OF EQUIPMENT FROM WWA GROUP S AUCTIONS MAY HAVE ULTIMATELY ENDED UP IN IRAN, SUDAN OR SYRIA.

Due to the proximity of Iran, Sudan and Syria to WWA Group s auction site, sales records, and statistics on regional spending for used construction equipment, there is reason to believe that some percentage of the equipment sold at WWA Group s auctions prior to May 2007 may have ultimately ended up in Iran, Sudan or Syria. Although WWA Group has never sold equipment to Iran, Sudan or Syria, countries which the U.S. State Department and OFAC have identified as state sponsors of terrorism, and WWA Group has never made any effort to attract consignors or bidders from any country recognized as a state sponsor of terrorism, it is possible that some small percentage of equipment purchased at the auctions was sold to persons or entities that re-exported such equipment to these countries, particularly to Iran.

WWA Group does not believe that the small percentage of sales in question has had any impact on operations, reputation or on shareholder value. However, despite the fact that WWA Group has no knowledge of delivery of equipment purchased at its auctions to Iran, Sudan or Syria, OFAC has proposed that a fine of $4,665,600 be imposed on WWA Group. Although WWA group is in the process of negating the basis for the proposed fine the imposition of such a penalty would have a negative on WWA Group s reputation and could diminish WWA Group s ability to continue as a going concern.

Future Risks Related to the Company s Stock

THE COMPANY INTENDS TO APPLY TO HAVE ITS STOCK QUOTED ON THE OTCBB

The Company has no public trading market for its shares, and we cannot represent to you that a market will ever develop. Nonetheless, we do intend to seek a quotation on the OTCBB. However, there can be no assurance that we will obtain a quotation on the OTCBB or that obtaining a quotation will generate a public trading market for our shares.

Further, if we obtain a quotation on the OTCBB, this may limit our ability to raise money in an equity financing since many institutional investors do not consider OTCBB stocks for their portfolios. Therefore, an investors ability to trade our stock might be restricted as only a limited number of market makers quote OTCBB stock. Trading volumes in OTCBB stocks are historically lower, and stock prices for OTCBB stocks tend to be more volatile, than stocks traded on an exchange or the NASDAQ Stock Market. We may never qualify for trading on an exchange or the NASDAQ Stock Market.

THE COMPANY S STOCK PRICE COULD BE VOLATILE

Should a public market for our shares develop, the future market price could be subject to significant volatility and trading volumes could be low. Factors affecting our market price will include:

- perceived prospects;
- negative variances in our operating results, and achievement of key business targets;
- limited trading volume in shares of our common stock in the public market;
- sales or purchases of large blocks of our stock;
- changes in, or our failure to meet, earnings estimates;
- changes in securities analysts buy/sell recommendations;
- differences between our reported results and those expected by investors and securities analysts;
- announcements of new contracts by us or our competitors;

- announcements of legal claims against us;
- market reaction to any acquisitions, joint ventures or strategic investments announced by us;
- developments in the financial markets;
- general economic, political or stock market conditions.

In addition, our future stock price may fluctuate in ways unrelated or disproportionate to our operating performance. General economic, political and stock market conditions that may affect the market price of our common stock are beyond our control. The market price of our common stock at any particular time may not remain the market price in the future. In the past, securities class action litigation has been instituted against companies following periods of volatility in the market price of their securities. Any such litigation, if instituted against us, could result in substantial costs and a diversion of management s attention and resources.

We incur significant expenses as a result of the Sarbanes-Oxley Act of 2002, which expenses may continue to negatively impact our financial performance.

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. Compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as discussed in the following risk factor, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly.

Our internal controls over financial reporting may not be considered effective in the future, which could result in a loss of investor confidence in our financial reports and negative SHAREHOLDER PERCEPTION.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to continue to assert that our internal controls are effective, our shareholders could lose confidence in the accuracy and completeness of our financial reports, which in turn could have an adverse affect on shareholder perception.

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

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

Removed and reserved

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 23 of this Form 10-Q, and are incorporated herein by this reference.

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.

Asia8, Inc.	***Date***
/s/ Eric Montandon	November 15, 2010

By: Eric Montandon

Its: Chief Executive Officer, Chief Financial Officer,

Principal Accounting Officer and Director

INDEX TO EXHIBITS

Exhibit ***Description***

3(i)(a)* Articles of Incorporation dated September 23, 1996 (incorporated by reference to the Form 10-12G filed with the Commission on October 20, 1999).

3(i)(b)* Amended Articles of Incorporation dated July 9, 1999 (incorporated by reference from Form 10-QSB filed with the Commission on October 20, 1999).

3(i)(c)* Amended Articles of Incorporation dated December 22, 1999 (incorporated by reference from Form 10-QSB filed with the Commission on May 15, 2007).

3(i)(d)* Amended Articles of Incorporation dated April 20, 2007 (incorporated by reference from Form 10-QSB filed with the Commission on May 15, 2007).

3(ii)(a)* By-Laws dated May 6, 1999 (incorporated by reference Form 10-12G filed with the Commission on October 20, 1999).

3(ii)(b)* Amended Bylaws dated January 22, 2007 (incorporated by reference to the Form 8-K filed with the Commission on January 29, 2007).

10(i)* Share Purchase Agreement dated June 2000 between Asia8, Inc. (formerly Asia4Sale.com, Inc.) and World Wide Auctioneers, Inc. (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

10(ii)* Unic Distribution Agreement dated May 1, 2007 between Asia8, Inc. and Peter Prescott (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

10(iii)* Tri-car Distribution Agreement dated May 1, 2007 between Asia8, Inc. and Asian Dragon Entertainment and Gaming Corporation (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

10(iv)* Atomix Distribution Agreement dated May 1, 2007 between Asia8, Inc. and Peter Prescott (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

14* Code of Ethics (Code of Conduct) (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

21* Subsidiaries of the Company (incorporated by reference to the Form 10-K filed with the Commission on April 1, 2009).

31 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (attached).

32 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (attached).

* Incorporated by reference to previous filings of the Company.