NOBLE VICI GROUP, INC.

(OTCMKTS: NVGI)

FY2019 US GAAP Audit Report

NOBLE VICI GROUP, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Stockholders and Board of Directors and of
NOBLE VICI GROUP, INC.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Noble Vici Group, Inc. and Subsidiaries (the "Company") as of March 31, 2019 and 2018, the related consolidated statements of operations and comprehensive (loss) income, cash flows and changes in stockholders' equity (deficit) for each of the two years in the period ended March 31, 2019, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, as of March 31, 2019, the Company suffered from an accumulated deficit of $125,141,278 and working capital deficit of $2,227,267. Management's plans in regard to this matter are described in Note 2.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ HKCM CPA & Co.
Certified Public Accountants
(Predecessor firm: HKCMCPA Company Limited)

We have served as the Company's auditor since 2015.

Hong Kong, China
July 12, 2019

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NOBLE VICI GROUP, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2019 AND 2018
(Currency expressed in United States Dollars ("US$"), except for number of shares)

	March 31, 2019	March 31, 2018 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 691,331	$ 1,536,980
Accounts receivable	6,145,460	-
Purchase deposits	2,600,732	1,463,151
Amount due from a third party	221,327	228,875
Deposits, prepayment and other receivables	361,884	320,879
Inventories	16,636	-
Total current assets	10,037,370	3,549,885
Non-current assets:		
Intangible assets, net	566,262	696,479
Property, plant and equipment, net	3,754,685	250,736
TOTAL ASSETS	$ 14,358,317	$ 4,497,100
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ -	$ 417,811
Commission liabilities	1,617,855	428,158
Deferred revenue	8,979,352	3,962,773
Accrued liabilities and other payables	964,001	361,586
Amount due to a director	91,483	69,069
Amount due to related party	280,317	-
Income tax payable	84,672	335,546
Current portion of obligations under finance leases	246,957	84,345
Total current liabilities	12,264,637	5,659,288
Long-term liabilities:		
Obligations under finance leases	2,008,708	1,466
TOTAL LIABILITIES	14,273,345	5,660,754
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, 3,000,000,000 authorized common shares of $0.0001 par value 210,704,160 and 140,000,000 shares issued and outstanding as of March 31, 2019 and 2018, respectively	21,070	14,000
Additional paid up capital	136,227,920	-
Deferred compensation	(10,936,760)	-
Accumulated other comprehensive loss	20,089	(46,440)
Accumulated losses	(125,141,278)	(1,131,214)
Total NVGI stockholders' equity (deficit)	191,041	(1,163,654)
Non-controlling interest	(106,069)	-
Total equity (deficit)	84,972	(1,163,654)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 14,358,317	$ 4,497,100

See accompanying notes to consolidated financial statements.

NOBLE VICI GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018
(Currency expressed in United States Dollars ("US$"))

	Years ended March 31, 2019	Years ended March 31, 2018
REVENUE, NET	$ 8,626,718	$ 3,623,980
Cost of goods sold	(2,570,143)	(832,390)
Gross profit	6,056,575	2,791,590
Operating expenses:		
Sales and marketing	898,407	1,118,310
General and administrative	3,665,106	1,433,134
Stock-based compensation	123,009,343	-
Total operating expenses	127,572,856	2,551,444
(LOSS) INCOME FROM OPERATIONS	(121,516,281)	240,146
Other (expense) income:		
Interest income	32	-
Interest expense	(47,323)	(1,547)
Impairment loss on goodwill	(2,036,948)	-
Government subsidy income	1,146	25,086
Sundry income	92,818	16,041
Total other (expense) income	(1,990,275)	39,580
(LOSS) INCOME BEFORE INCOME TAXES	(123,506,556)	279,726
Income tax expense	(184,275)	(33,094)
NET (LOSS) INCOME	$ (123,690,831)	$ 246,632
Other comprehensive income:		
– Foreign currency translation loss	66,529	(79,396)
COMPREHENSIVE (LOSS) INCOME	$ (123,624,302)	$ 167,236
Net (loss) income per share:		
– Basic and diluted	$ (0.80)	$ 0.00
Weighted average common shares outstanding:		
– Basic and diluted	153,879,552	140,000,000

See accompanying notes to consolidated financial statements.

NOBLE VICI GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018
(Currency expressed in United States Dollars ("US$"))

	Years ended March 31, 2019	Years ended March 31, 2018
Cash flow from operating activities:		
Net (loss) income before income tax	$ (123,690,831)	$ 246,632
Adjustments for:		
Amortization of intangible assets	278,480	12,725
Depreciation of property, plant and equipment	185,392	61,674
Impairment loss on goodwill	2,036,948	-
Gain on disposal of property, plant and equipment	(54,582)	-
Stock-based compensation	123,009,343	-
Change in operating assets and liabilities:		
Accounts receivable	(6,134,950)	-
Purchase deposit	(1,183,802)	(1,414,059)
Deposits, prepayment and other receivables	(51,496)	(31,941)
Amounts due from related companies	-	12,888
Inventories	(16,608)	-
Accounts payable	(403,341)	374,098
Accrued liabilities and other payables	613,288	227,613
Commission liabilities	1,201,758	(349,563)
Deferred revenue	5,138,455	3,829,812
Tax payable	(239,398)	280,658
Cash generated from operating activities	688,656	3,250,537
Cash flow from investing activities:		
Proceed from disposal of property, plant and equipment	184,124	-
Purchase of property, plant and equipment	(3,808,439)	(268,417)
Purchase of intangible assets	(184,124)	-
Cash from acquisition of subsidiaries	37,576	-
Net cash used in investing activities	(3,770,863)	(268,417)
Cash flow from financing activities:		
Proceeds from shareholders	152,726	-
Advance from (repayment to) a director	24,649	(1,010,637)
Repayment to a third party	-	(221,195)
Advances from (repayment to) related parties	279,837	(632,434)
Proceeds from finance leases	2,168,968	77,740
Net cash generated from (used in) financing activities	2,626,180	(1,786,526)
Foreign currency translation adjustment	(389,622)	60,111
Net change in cash and cash equivalents	(845,649)	1,255,705
BEGINNING OF YEAR	1,536,980	281,275
END OF YEAR	$ 691,331	$ 1,536,980
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for income taxes	$ 174,540	$ 1,145
Cash paid for interest	$ 47,323	$ 1,547

See accompanying notes to consolidated financial statements.

NOBLE VICI GROUP, INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018
(Currency expressed in United States Dollars ("US$"), except for number of shares)

	Common stock								
	No. of shares	Amount	Additional paid up capital	Deferred compensation	Accumulated other comprehensive (loss) income	Accumulated losses	Total stockholders' equity (deficit)	Non-controlling interest	Total deficit
Balance as of April 1, 2017 (restated)	140,000,000	$ 14,000	$ -	$ -	$ 32,956	$ (1,377,846)	$ (1,330,890)	$ -	$ (1,330,890)
Foreign currency translation adjustment	-	-	-	-	(79,396)	-	(79,396)	-	(79,396)
Net loss for the year	-	-	-	-	-	246,632	246,632	-	246,632
Balance as of March 31, 2018	140,000,000	$ 14,000	$ -	$ -	$ (46,440)	$ (1,131,214)	$ (1,163,654)	$ -	$ (1,163,654)
Shares issued for acquisition of legal acquirer	2,663,135	266	-	-	-	(319,233)	(318,967)	-	(318,967)
Fractional shares from reverse splits	26	-	-	-	-	-	-	-	-
Capital injection from shareholder	-	-	152,726	-	-	-	152,726	-	152,726
Shares issue for acquisition of subsidiaries	1,020,000	102	2,039,898	-	-	-	2,040,000	-	2,040,000
Non-controlling interest from acquisition	-	-	-	-	-	-	-	(106,069)	(106,069)
Shares issued for services	67,020,999	6,702	134,035,296	-	-	-	134,041,998	-	134,041,998
Foreign currency translation adjustment	-	-	-	-	66,529	-	66,529	-	66,529
Shares issued for services to be rendered	-	-	-	(10,936,760)	-	-	(10,936,760)	-	(10,936,760)
Net loss for the year	-	-	-	-	-	(123,690,831)	(123,690,831)	-	(123,690,831)
Balance as of March 31, 2019	210,704,160	$ 21,070	$ 136,227,920	$ (10,936,760)	$ 20,089	$ (125,141,278)	$ 191,041	$ (106,069)	$ 84,972

See accompanying notes to consolidated financial statements

1. DESCRIPTION OF BUSINESS AND ORGANIZATION

Noble Vici Group, Inc. (the "Company"), formerly known as Gold Union Inc., was incorporated under the laws of the State of Delaware on July 6, 2010 under the name of Advanced Ventures Corp. Effective January 6, 2014, the Company changes its name to "Gold Union Inc." Effective March 26, 2018, the Company changes its current name to Noble Vici Group, Inc ("NVGI").

On August 8, 2018, the Company executed a Share Exchange Agreement ("the "Share Exchange Agreement") with Noble Vici Private Limited ("NVPL"), a corporation organized under the laws of Singapore, and Eldee Tang, the sole shareholder of NVPL, and also its Chief Executive Officer and Director. Pursuant to the Share Exchange Agreement, the Company purchased all of the issued and outstanding shares of the NVPL, representing 1,000,001 ordinary shares of NVPL, in exchange for 140,000,000 shares of its common stock. The Company consummated the acquisition of NVPL on August 8, 2018. The Company relied on the exemption from registration pursuant to Section 4(2) of, and Regulation D and/or Regulation S promulgated under the Act in selling the Company's securities to the shareholders of NVPL.

Prior to the acquisition, the Company was considered as a shell company due to its nominal assets and limited operation. Upon the acquisition, NVPL will comprise the ongoing operations of the combined entity and its senior management will serve as the senior management of the combined entity. NVPL is deemed to be the accounting acquirer for accounting purposes. The transaction will be treated as a recapitalization of the Company. Accordingly, the consolidated assets, liabilities and results of operations of the Company will become the historical financial statements of NVPL, and the Company's assets, liabilities and results of operations will be consolidated with NVPL beginning on the acquisition date. NVPL was the legal acquiree but deemed to be the accounting acquirer. The Company was the legal acquirer but deemed to be the accounting acquiree in the reverse merger. The historical financial statements prior to the acquisition are those of the accounting acquirer (NVPL). Historical stockholders' equity of the accounting acquirer prior to the merger are retroactively restated (a recapitalization) for the equivalent number of shares received in the merger. Operations prior to the merger are those of the acquirer. After completion of the share exchange transaction, the Company's consolidated financial statements include the assets and liabilities, the operations and cash flow of the accounting acquirer.

The Company is currently engaged in the IoT, Big Data, Blockchain and E-commerce business.

<u>Description of subsidiaries</u>

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/ registered share capital	Effective interest held
Noble Infotech Applications Pte Ltd	Republic of Singapore	Development of software for interactive digital media and software consultancy	S$ 1	100%
Noble Digital Apps Sendirian Berhad	Federation of Malaysia	Digital apps and big data business	MYR1,000	51%
The Digital Agency Pte. Ltd.	Republic of Singapore	Business and management consultancy services	$1	51%
Venvici Pte Ltd	Republic of Singapore	Business and management consultancy services on e-commerce service	S$100,000	100%
Venvici Ltd	Republic of Seychelles	Business and management consultancy services on e-commerce service	US$50,000	100%
Ventrepreneur (SG) Pte Ltd	Republic of Singapore	Online retailing	S$10,000	100%
UB45 Pte Limited	Republic of Singapore	Investment holding	S$10,000	100%
VMore Merchants Pte Ltd #	Republic of Singapore	Merchants onboarding	S$1,000	100%
AIM System Pte Ltd #	Republic of Singapore	Affiliate System Provider	S$1,000	100%

On January 19, 2019, the Company established a branch office in Taiwan.
these subsidiaries were established on April 1, 2019.

The Company and its subsidiaries are hereinafter referred to as (the "Company").

2. GOING CONCERN UNCERTAINTIES

The accompanying consolidated financial statements have been prepared using the going concern basis of accounting, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As of March 31, 2019, the Company suffered from an accumulated deficit of $125,141,278 and working capital deficit of $2,227,267. The continuation of the Company as a going concern through March 31, 2020 is dependent upon the continued financial support from its stockholders. Management believes the Company is currently pursuing additional financing for its operations. However, there is no assurance that the Company will be successful in securing sufficient funds to sustain the operations.

These and other factors raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets and liabilities that may result in the Company not being able to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described in this note and elsewhere in the accompanying consolidated financial statements and notes.

- Basis of presentation

These accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

- Basis of consolidation

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

- Use of estimates and assumptions

In preparing these consolidated financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenues and expenses during the periods reported. Actual results may differ from these estimates.

- Cash and cash equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

- Accounts receivable

Accounts receivable consist of amounts due from customers in connection with our normal business activities and are carried at sales value less allowance for doubtful accounts. The allowance for doubtful accounts is established to reflect the expected losses of accounts receivable based on past collection history, age, account payment status compared to invoice payment terms and specific individual risks identified. The delinquency of a receivable account is determined based on these factors. The Company does not accrue interest on aged accounts receivable. As of March 31, 2019, there were no allowances for doubtful accounts.

- Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in first-out basis. At present all inventory relates to finished goods for commercial sales.

- Purchase deposit

Purchase deposits represent deposit payments made to vendors for procurement, which are interest-free, unsecured and relieved against accounts payable when goods are received by the Company, or refundable in the next twelve months.

- Intangible assets

Intangible assets represented the acquired game right from a related party, which are stated at acquisition cost, less accumulated amortization. The Company amortizes its intangible assets with definite lives over their estimated useful lives and reviews these assets for impairment when an indicator for potential impairment exists. The Company is currently amortizing its intangible assets with definite lives over periods of 3 years.

- Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on the straight-line basis over the following expected useful lives from the date on which they become fully operational and after taking into account their estimated residual values:

	Expected useful lives
Building	38 years or lesser than term of lease
Leasehold improvements	3-10 years or lesser than term of lease
Furniture and fittings	3 years
Office equipment and computers	1- 3 years
Motor vehicle	2-3.33 years

Expenditures for repairs and maintenance are expensed as incurred. When assets have been retired or sold, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the results of operations.

- Impairment of long-lived assets

In accordance with Accounting Standards Codification ("ASC") Topic 360-10-5, "*Impairment or Disposal of Long-Lived Assets* ", the Company reviews its long-lived assets, including property, plant and equipment, as well as intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable or that useful lives are no longer appropriate. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset. The Company provided a full impairment loss to its goodwill from business combination as of March 31, 2019. There has been no impairment charge as of March 31, 2018.

- Revenue recognition

On April 1, 2018, Accounting Standards Update ("ASU") 2014-09, "R*evenue from Contracts with Customers (Topic 606)*" and all related amendments were adopted, which provides revised guidance for revenue recognition. The standard's core principle is that the Company should recognize the revenue for transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard defines a five-step process to recognize revenue and requires more judgment and estimates within the revenue recognition process than required under previous U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each separate performance obligation.

The Company recognizes revenue when obligations under the terms of a contract with its customer are satisfied, in an amount that reflects the consideration the Company expects to receive in exchange for the product. Depending on the terms of the agreement with the customer, the Company recognizes revenue either at a point-in-time (at shipment or delivery depending on agreed upon terms). Product sales are recorded net of good and service taxes and product returns.

The Company records revenues from the sales of third-party products on a "gross" basis pursuant to ASC 605-45 *Revenue Recognition - Principal Agent Considerations*, when we are the primary obligor in the arrangement with the end customer and have the risks and rewards as principal in the transaction, such as responsibility for fulfillment, retaining the risk for collection, and establishing the price of the products. If these indicators have not been met, or if indicators of net revenue reporting specified in ASC 605-45 are present in the arrangement, revenue is recognized net of related direct costs.

- Cost of revenue

Cost of revenue consists primarily of the cost of goods sold and royalty expenses to the game owners, which are directly attributable to the sales of products and the rendering of online gaming service.

Royalty charges and marketing expenses paid to a related party totaled $468,477 and $442,581, for the years ended March 31, 2019 and 2018.

- Commission credits

The Company maintains a membership program, whereby certain members earn commission credits, based on the sales volume of certain other members who are sponsored directly or indirectly by the member. Commission credits are redeemable on future spending of the products purchased or playing online games. Commission credits are recorded and classified as operating expense when the products are delivered and revenue is recognized. The estimated liability for unredeemed commission credit is included in commission liability on the accompanying balance sheets. Management reviews the adequacy for the accrual for unredeemed commission credits by periodically evaluating the historical redemption and projected trends.

- Income taxes

The Company adopted the ASC 740 *Income tax* provisions of paragraph 740-10-25-13, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under paragraph 740-10-25-13, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Paragraph 740-10-25-13 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of paragraph 740-10-25-13.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its balance sheets and provides valuation allowances as management deems necessary.

- Uncertain tax positions

The Company did not take any uncertain tax positions and had no adjustments to its income tax liabilities or benefits pursuant to the ASC 740 provisions of Section 740-10-25 for the years ended March 31, 2019 and 2018.

- Finance leases

Leases that transfer substantially all the rewards and risks of ownership to the lessee, other than legal title, are accounted for as finance leases. Substantially all of the risks or benefits of ownership are deemed to have been transferred if any one of the four criteria is met: (i) transfer of ownership to the lessee at the end of the lease term, (ii) the lease containing a bargain purchase option, (iii) the lease term exceeding 75% of the estimated economic life of the leased asset, (iv) the present value of the minimum lease payments exceeding 90% of the fair value. At the inception of a finance lease, the Company as the lessee records an asset and an obligation at an amount equal to the present value of the minimum lease payments. The leased asset is amortized over the shorter of the lease term or its estimated useful life if title does not transfer to the Company, while the leased asset is depreciated in accordance with the Company's depreciation policy if the title is to eventually transfer to the Company. The periodic rent payments made during the lease term are allocated between a reduction in the obligation and interest element using the effective interest method in accordance with the provisions of ASC Topic 835-30, *"Imputation of Interest"*.

- Foreign currencies translation

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the consolidated statement of operations.
The reporting currency of the Company is United States Dollar ("US$") and the accompanying consolidated financial statements have been expressed in US$. In addition, the Company's operating subsidiaries in Singapore and Seychelles

maintain their books and record in its local currency, Singapore Dollars ("S$"), which is a functional currency as being the primary currency of the economic environment in which their operations are conducted. In general, for consolidation purposes, assets and liabilities of its subsidiaries whose functional currency is not US$ are translated into US$, in accordance with ASC Topic 830-30, " *Translation of Financial Statement*", using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the year. The gains and losses resulting from translation of financial statements of foreign subsidiaries are recorded as a separate component of accumulated other comprehensive income within the statements of changes in stockholder's equity.

Translation of amounts from S$ into US$1 has been made at the following exchange rates for the years ended March 31, 2019 and 2018:

	March 31, 2019	March 31, 2018
Year-end S$:US$1 exchange rate	1.3554	1.3632
Annual average S$:US$1 exchange rate	1.3578	1.3588

- Comprehensive income

ASC Topic 220, "*Comprehensive Income*", establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income as defined includes all changes in equity during a period from non-owner sources. Accumulated other comprehensive income, as presented in the accompanying consolidated statements of changes in stockholders' equity, consists of changes in unrealized gains and losses on foreign currency translation. This comprehensive income is not included in the computation of income tax expense or benefit.

- Stock based compensation

For stock options granted as consideration for services rendered by non-employees, the Company recognizes compensation expense in accordance with the requirements of ASC Topic 505-50 ("ASC 505-50"), "*Equity Based Payments to Non-Employees*." Non-employee restricted common stock and stock option grants that do not vest immediately upon grant, and whose terms are known, are recorded as an expense over the vesting period of the underlying instrument granted. At the end of each financial reporting period prior to vesting, the value of the instruments granted, will be re-measured using the fair value of the Company's common stock and the stock-based compensation recognized during the period will be adjusted accordingly.

For restricted common stock and stock option awards that have performance-based conditions, the Company recognizes the stock-based compensation expense at the fair value of the award based on the date that the performance conditions have been met. The Company calculates the fair value of the stock options using the Black Scholes option pricing model. The fair value of restricted common stock awards is based on the closing price of the Company's common stock on the applicable measurement date.

The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

To date, the Company has not granted any stock-based compensation awards to employees.

- Segment reporting

ASC Topic 280, "*Segment Reporting*" establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about geographical areas, business segments and major customers in consolidated financial statements. For the years ended March 31, 2019 and 2018, the Company operates in one reportable operating segment in Singapore and Asian Region.

- Retirement plan costs

Contributions to retirement plans (which are defined contribution plans) are charged to general and administrative expenses in the accompanying statements of operation as the related employee service is provided.

- Related parties

The Company follows the ASC 850-10, *Related Party* for the identification of related parties and disclosure of related party transactions.
Pursuant to section 850-10-20 the related parties include a) affiliates of the Company; b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection

of section 825–10–15, to be accounted for by the equity method by the investing entity; c) trusts for the benefit of employees, such as pension and Income-sharing trusts that are managed by or under the trusteeship of management; d) principal owners of the Company; e) management of the Company; f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The consolidated financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a) the nature of the relationship(s) involved; b) a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the consolidated financial statements; c) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d) amount due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

- Commitments and contingencies

The Company follows the ASC 450-20, *Commitments* to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time that these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

- Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and has adopted paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 of the FASB Accounting Standards Codification establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, paragraph 820-10-35-37 of the FASB Accounting Standards Codification establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by paragraph 820-10-35-37 of the FASB Accounting Standards Codification are described below:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash and cash equivalents, approximate their fair values because of the short maturity of these instruments.

- Recent accounting pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequences of the change to its consolidated financial statements and assures that there are proper controls in place to ascertain that the Company's consolidated financial statements properly reflect the change.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 has been modified multiple times since its initial release. This ASU outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09, as amended, becomes effective for annual reporting periods beginning after December 15, 2017. Early adoption is permitted. As an Emerging Growth Company (we expect our Emerging Growth Company status to expire on March 31, 2020), the Company is allowed to adopt new, or updated, accounting standards using the same time frame that applies to private companies. The Company will adopt this standard on April 1, 2019. Management is currently evaluating the impact of adoption of this ASU on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-02, Leases. The main difference between the provisions of ASU No. 2016-02 and previous U.S. GAAP is the recognition of right-of-use assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. ASU No. 2016-02 retains a distinction between finance leases and operating leases, and the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous U.S. GAAP. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize right-of-use assets and lease liabilities. The accounting applied by a lessor is largely unchanged from that applied under previous U.S. GAAP. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This ASU is effective for public business entities in fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted as of the beginning of any interim or annual reporting period. As an Emerging Growth Company, the Company is allowed to adopt new, or updated, accounting standards using the same time frame that applies to private companies. The Company will adopt this standard on April 1, 2020. Management is currently evaluating the impact of adoption of this ASU on the Company's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting* , or ASU 2018-07. ASU 2018-07 simplifies the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. The Company will adopt ASU 2018-07 prospectively as of April 1, 2019. The adoption of ASU 2018-07 is not expected to have a material impact on the Company's financial position, results of operations or related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement: Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13), which adds and modifies certain disclosure requirements for fair value measurements. Under the new guidance, entities will no longer be required to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, or valuation processes for Level 3 fair value measurements. However, public business entities will be required to disclose the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and related changes in unrealized gains and losses included in other comprehensive income. ASU 2018-13 is effective for public business entities for fiscal years beginning after December 15, 2019, including interim periods. Management is currently evaluating the impact that this guidance will have on the Company's consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

4. BUSINESS COMBINATION

On September 17, 2018, the Company acquired 51% controlling interest in The Digital Agency Private Limited, a private limited company organized under the laws of Singapore (“TDA”), and a start-up digital marketing company, at the purchase price of $1,020,000, by issuing 510,000 shares of common stock of the Company, at a price of $2.00 per share.

The purchase price allocation resulted in $1,028,140 of goodwill, as below:

Acquired assets:		
Cash and cash equivalents	$	2,552
Less: Assumed liabilities		
Accruals		(4,561)
Amount due to director		(6,131)
Net assets acquired		(8,140)
Goodwill allocated		1,028,140
Share issued for acquisition	$	1,020,000

Concurrently, on September 17, 2018, the Company acquired 51% controlling interest in Noble Digital Apps Sendirian Berhad, a private limited company organized under the laws of Malaysia (“NDA”), and a start-up digital apps and big data company, at the purchase price of $1,020,000, by issuing 510,000 shares of common stock of the Company, at a price of $2.00 per share.

The purchase price allocation resulted in $1,008,808 of goodwill, as below:

Acquired assets:		
Cash and cash equivalents	$	16,551
Amount due from related companies		30,986
Less: Assumed liabilities		
Accruals		(25,571)
Amount due to director		(10,774)
Net assets acquired		11,192
Goodwill allocated		1,008,808
Share issued for acquisition	$	1,020,000

The Company’s acquisitions of TDA and NDA were accounted for as a business combination in accordance with ASC 805. The Company has allocated the purchase price consideration based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed and intangible assets identified as of the acquisition date and considered a number of factors including valuations from independent appraisers. Acquisition-related costs incurred for the acquisitions are not material and have been expensed as incurred in general and administrative expense.

The impairment test of the goodwill has reviewed and the Company made a full provision on goodwill from business combination accordingly.

5. REVENUE

	Years ended March 31,			
	2019		2018	
Products sales, as principal	$	6,592,054	$	1,150,013
Products sales, as agent (net basis)		1,277,208		2,252,188
Other operating revenue		757,456		221,779
	$	8,626,718	$	3,623,980

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	As of March 31,	
	2019	2018
At cost:		
Building	$ 3,400,327	$ -
Leasehold improvement	223,886	41,747
Furniture and fittings	30,362	26,684
Office equipment and computers	157,953	77,406
Motor vehicle	96,646	233,452
Right of used assets	22,229	-
	3,931,403	379,289
Less: accumulated depreciation	(176,718)	(128,553)
	$ 3,754,685	$ 250,736

Depreciation expense for the years ended March 31, 2019 and 2018 were $185,392 and $61,674, as part of operating expenses, respectively.

7. INTANGIBLE ASSETS

	As of March 31,	
	2019	2018
Gaming right and software:		
Gross carrying value	$ 1,238,254	$ 459,104
Less: accumulated amortization	(671,992)	(432,770)
Net carrying value	566,262	26,334
Non-amortizing portion	-	670,145
Intangible assets, net	$ 566,262	$ 696,479

Amortization expense for the years ended March 31, 2019 and 2018 were $278,480 and $12,725, as part of operating expenses, respectively.

The following table outlines the annual amortization expense for the next three years:

Years ending March 31:	
2020	$ 277,496
2021	277,496
2022	11,270
Total	$ 566,262

8. AMOUNT DUE FROM A THIRD PARTY

As of March 31, 2019 and 2018, the Company made temporary advances of $221,327 and $228,875 respectively, to a third party, which is secured by the stocks held and will be matured on or before December 31, 2019. Interest is charged at the rate of 5% per annum.

9. AMOUNT DUE TO A DIRECTOR

As of March 31, 2019 and 2018, the Company owed the amount of $91,483 and $69,069 to the director of the Company, Mr. TANG Wai Chong Eldee, which is unsecured, interest-free and has no fixed terms of repayment. Imputed interest from related party loan is not significant.

10. AMOUNT DUE TO RELATED PARTY

As of March 31, 2019, the Company owed the amount of $280,317 due to the former shareholder of the Company, Miss Kao. The balance is unsecured, interest-free and has no fixed terms of repayment. Imputed interest from related parties' loan is not significant.

11. OBLIGATIONS UNDER FINANCE LEASES

The Company purchased several motor vehicles and building under finance lease agreements with the effective interest rate ranging from 3.75% to 15.3% per annum, due through 2020 and 2028, with principal and interest payable monthly. The obligations under the finance leases are as follows:

	As of March 31,			
	2019		2018	
Finance lease	$	3,089,747	$	89,262
Less: interest expense		(834,082)		(3,451)
Net present value of finance lease	$	2,255,665	$	85,811
Current portion	$	246,957	$	84,345
Non-current portion		2,008,708		1,466
Total	$	2,255,665	$	85,811

As of March 31, 2019, the maturities of the finance leases for each of the five years and thereafter are as follows:

Years ending March 31:		
2020	$	244,872
2021		244,872
2022		244,872
2023		241,494
2024		231,360
Thereafter		1,048,195
Total	$	2,255,665

Included in the consolidated balance sheet as of March 31, 2019 under property, plant and equipment are cost and accumulated depreciation related to capitalized leases of $3,422,556 and $45,482, respectively. Included in the consolidated balance sheet as of March 31, 2018 under property, plant and equipment are cost and accumulated depreciation related to capitalized leases of $198,358 and $22,780, respectively.

The building under finance lease is personally guaranteed by the director of the Company, Eldee Tang.

12. INCOME TAX

The provision for income taxes consisted of the following:

	Years ended March 31,	
	2019	2018
Current tax	$ 184,275	$ 33,094
Deferred tax	-	-
Income tax expense	$ 184,275	$ 33,094

The effective tax rate in the years presented is the result of the mix of income earned in various tax jurisdictions that apply a broad range of income tax rates. The Company and its subsidiaries are mainly operated in Republic of Singapore and Republic of Seychelles that are subject to taxes in the jurisdictions in which they operate, as follows:

United States of America

NVGI is registered in the State of Delaware and is subject to US federal corporate income tax rate of 21% for the year ended March 31, 2019. No provision for income taxes have been made as NVGI has generated no taxable income for the years presented. The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits in its income tax provision. The Company has not accrued or paid interest or penalties which were not material to its results of operations for the years presented.

The 2017 Act reduces the corporate tax rate from 34% to 21% for tax years beginning after December 31, 2017. For net operating losses arising after December 31, 2017, the 2017 Act limits a taxpayer's ability to utilize net operating losses carryforwards to 80% of taxable income. In addition, net operating losses arising after 2017 can be carried forward indefinitely, but carryback is generally prohibited. Net operating losses generated in tax years beginning before January 1, 2018 will not be subject to the taxable income limitation. The 2017 Act would generally eliminate the carryback of all net operating losses arising in a tax year ending after 2017 and instead would permit all such net operating losses to be carried forward indefinitely.

As of March 31, 2019, the Company incurred $722,963 of cumulative net operating losses which can be carried forward to offset future taxable income. The net operating loss carryforwards begin to expire in 2039, if unutilized. The Company has provided for a full valuation allowance against the deferred tax assets of $151,822 on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future.

Republic of Singapore

The Company's operating subsidiaries are registered in Republic of Singapore and are subject to the Singapore corporate income tax at a standard income tax rate of 17% on the assessable income arising in Singapore during its tax year.

The Company's subsidiary in Republic of Seychelles is also subject to the Singapore corporate income tax regime.

The reconciliation of income tax rate to the effective income tax rate based on income before income taxes for the years ended March 31, 2019 and 2018 are as follows:

	Years ended March 31,	
	2019	2018
Income before income taxes	$ 1,539,735	$ 279,726
Statutory income tax rate	17%	17%
Income tax expense at statutory rate	261,755	47,553
Tax effect of non-taxable income	(200)	(25,605)
Tax effect of non-deductible items	-	39,386
Tax effect of tax concession	(21,602)	(26,488)
Tax effect of allowance	(55,678)	(1,752)
Income tax expense	$ 184,275	$ 33,094

The following table sets forth the significant components of the aggregate deferred tax assets and liabilities of the Company as of March 31, 2019 and 2018:

	As of March 31,			
	2019		2018	
Deferred tax assets:				
Net operating loss carryforwards from US regime	$	151,822	$	63,636
Less: valuation allowance		(151,822)		(63,636)
Deferred tax assets, net	$	-	$	-

The Company has filed an income tax return for 2018 and 2017 in Singapore jurisdiction.

13. STOCKHOLDERS' DEFICIT

On August 8, 2018, the Company executed a Share Exchange Agreement ("the "Share Exchange Agreement") with Noble Vici Private Limited, a corporation organized under the laws of Singapore ("NVPL"), and Eldee Tang, the sole shareholder, Chief Executive Officer and Director of NVPL. Pursuant to the Share Exchange Agreement, the Company purchased all of the issued and outstanding shares of the NVPL, representing 1,000,001 ordinary shares of NVPL, in exchange for 140,000,000 shares of its common stock.

On September 17, 2018, the Company acquired 51% controlling interest in The Digital Agency Private Limited, a private limited company organized under the laws of Singapore ("TDA"), and a start-up digital marketing company, at the purchase price of $1,020,000, by issuing 510,000 shares of common stock of the Company, at a price of $2 per share.

Concurrently, on September 17, 2018, the Company acquired 51% controlling interest in Noble Digital Apps Sendirian Berhad, a private limited company organized under the laws of Malaysia ("NDA"), and a start-up digital apps and big data company, at the purchase price of $1,020,000, by issuing 510,000 shares of common stock of the Company, at a price of $2 per share.

In October and December 2018, the Company issued an aggregate of 20,540,999 shares of its registered common stock to certain service agents as one-off bonus compensation for their sales and marketing services rendered in prior years, at a price of $2 per share.

On March 11, 2019, the Company 15,000,000 shares of its registered common stock to certain sales associates for prior sales and marketing services rendered, with a fair value of $30,000,000 or $2 per share. The fair value of the common stock was determined based on the closing price of the Company's common stock.

On March 19, 2019, the Company issued 21,480,000 shares of its registered common stock, par value $0.0001 per share, to three individuals under the Merchant Acquisition Agreement with a fair value of $42,960,000 or $2 per share. The fair value of the common stock was determined based on the closing price of the Company's common stock.

Concurrently, on March 19, 2019, the Company issued 10,000,000 shares of its registered common stock to the Digital Consultant under the Consulting Agreement with a fair value of $20,000,000 or $2 per share. The fair value of the common stock was determined based on the closing price of the Company's common stock.

For the years ended March 31, 2019 and 2018, the Company recorded share-based compensation expense related to restricted stock units issued to sales agents and consultants of $123 million and $0 million, respectively. This share-based compensation expense is included in general and administrative expenses and research and development expenses in the accompanying consolidated statements of operations.

Total unrecognized share-based compensation expense was approximately $10.9 million at March 31, 2019 and is expected to be recognized over a weighted-average period of 1.5 months.

As of March 31, 2019 and 2018, the Company had a total of 210,704,160 and 140,000,000 (restated) shares of its common stock issued and outstanding, respectively.

14. PENSION COSTS

The Company is required to make contribution to their employees under a government-mandated defined contribution pension scheme for its eligible full-times employees in Singapore. The Company is required to contribute a specified percentage of the participants' relevant income based on their ages and wages level. During the years ended March 31, 2019 and 2018, $162,944 and $77,639 contributions were made accordingly.

15. RELATED PARTY TRANSACTIONS

From time to time, the stockholder and director of the Company advanced funds to the Company for working capital purpose. Those advances are unsecured, non-interest bearing and due on demand. The imputed interest on the loan from a related party was not significant.

Purchase from a related company totaled $385,955 and $378,136, for the years ended March 31, 2019 and 2018.

Marketing expenses and royalty charges paid to a related company totaled $468,447 and $442,581, for the years ended March 31, 2019 and 2018.

Apart from the transactions and balances detailed elsewhere in these accompanying consolidated financial statements, the Company has no other significant or material related party transactions during the years presented.

16. CONCENTRATIONS OF RISK

The Company is exposed to the following concentrations of risk:

(a) Major customers

For the years ended March 31, 2019 and 2018, there is no individual customer exceeding 10% of the Company's revenue.

The Company considers its business activities to constitute one single reportable segment. The Company's chief operating decision makers use consolidated results to make operating and strategic decisions. The geographic distribution analysis of the Company's revenues by region is as follows:

	Years ended March 31, 2019	Years ended March 31, 2018
China	$ 1,277,207	$ 2,255,174
Singapore	910,346	1,215,671
Malaysia	4,751,510	-
Indonesia	1,142,991	-
Other countries in Asia Pacific	544,664	153,135
	$ 8,626,718	$ 3,623,980

All of the Company's long-lived assets are located in Singapore.

(b) Major vendors

For the year ended March 31, 2019, this is one single vendor representing more than 10% of the Company's purchase. This vendor (Vendor B) accounted for 15% of the Company's purchase amounting to $385,955 with $0 of accounts payable.

For the year ended March 31, 2018, there is one single vendor (Vendor B) representing more than 10% of the Company's purchase. This vendor (Vendor B) accounted for 45% of the Company's purchase amounting to $378,136, with $109,478 of accounts payable.

(c) Credit risk

Financial instruments that are potentially subject to credit risk consist principally of accounts receivable. The Company believes the concentration of credit risk in its trade receivables is substantially mitigated by its ongoing credit evaluation process and relatively short collection terms. The Company does not generally require collateral from customers. The

Company evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

(d) Interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest-rate risk arises from borrowings under finance lease. The Company manages interest rate risk by varying the issuance and maturity dates variable rate debt, limiting the amount of variable rate debt, and continually monitoring the effects of market changes in interest rates. As of March 31, 2019 and 2018, borrowing under finance lease was at fixed rates.

(e) Economic and political risk

The Company's major operations are conducted in Republic of Singapore. Accordingly, the political, economic, and legal environments in Singapore, as well as the general state of Singapore's economy may influence the Company's business, financial condition, and results of operations.

(f) Exchange rate risk

The Company cannot guarantee that the current exchange rate will remain steady; therefore there is a possibility that the Company could post the same amount of profit for two comparable periods and because of the fluctuating exchange rate actually post higher or lower profit depending on exchange rate of S$ converted to US$ on that date. The exchange rate could fluctuate depending on changes in political and economic environments without notice.

17. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

During the years ended March 31, 2019 and 2018, the Company leased its properties under operating leases. The leases typically commence for a period ranging for 1 to 2 years, with the option of monthly renewal. These leases have an average remaining lease term of approximately less than 12 months, as of March 31, 2019.

The rent expense was $94,979 and $152,839, respectively, for the years ended March 31, 2019 and 2018. As of March 31, 2019, the Company has future minimum rental payables of $62,455 until November 30, 2020.

(b) Capital commitment

As of March 31, 2019, the Company has no material capital commitments in the next twelve months.

18. SUBSEQUENT EVENTS

In accordance with ASC Topic 855, "*Subsequent Events*", which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before consolidated financial statements are issued, the Company has evaluated all events or transactions that occurred after March 31, 2019, up through July 12, 2019 the Company issued the audited consolidated financial statements. During the period, the Company has the material subsequent events, as follows:

On April 1, 2019, the Company established two subsidiaries namely VMore Merchants Pte Ltd and AIM System Pte Ltd.

On April 1, 2019, the Company entered into a binding Memorandum of Understanding (the "MOU") with Eldee Wai Chong Tang, the Director of the Company, whereby the Company agreed to reorganize Elusyf Global Private Limited, a Singapore corporation ("EGPL"), into the Company in accordance with the terms of the MOU. Upon the consummation of such reorganization, EGPL will become a 51% owned subsidiary of the Company. EGPL is engaged in the business of marketing and distribution of health and beauty products, such as Elusyf Mitos Activa and Cell Activa Phytomask, among other offerings, through its wide network of channels.

On June 17, 2019, the Company entered into a binding Memorandum of Understanding (the "MOU") with Kootoro Vietnam Inc., a limited liability company organized under the laws of Vietnam ("KVI"), whereby the parties agreed to form a strategic partnership to expand V-More's footprint and ecosystem into Vietnam. The Partnership will be exclusive subject to the achievement of mutually agreeable milestones. V-More is our online and offline products and services marketplace for consumers and merchants. KVI is engaged in the business of managing the distribution and payment of goods through a nationwide network of vending machines and payment gateway to Vietnam.