VGambling Inc.
(formerly DK Sinopharma, Inc.)
(A Development Stage Company)
September 30, 2014
(Unaudited)

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Balance Sheets
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ASSETS	September 30, 2014	June 30, 2014
Current Assets		
Cash	$ 54,057	$ 8,449
Prepaid Expenses	40,000	-
Total Current Assets	94,057	8,449
License	30,000	-
Total Assets	$ 124,057	$ 8,449
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ 28,119	$ 32,007
Accrued Liabilities	-	1,587
Due to related parties	32,373	30,686
Notes payable	-	59,367
Total Liabilities	60,492	123,647
Stockholders' Equity		
Common stock Authorized: 75,000,000 shares, par value $0.001 63,300,001 shares issued and outstanding, respectively	66,131	63,300
Additional Paid-in Capital	369,019	118,225
Subscription Receivable	(300)	(300)
Deficit accumulated during the development stage	(371,285)	(296,423)
Total Stockholders' Equity	63,565	(115,198)
Total Liabilities and Stockholders' Equity	$ 124,057	$ 8,449

See accompanying notes to consolidated financial statements

VGambling Inc.
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Statement of Expenses
(Unaudited)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013
Revenue	$ -	$ -
General and administrative	69,972	2,394
Professional fees	4,890	-
Total Operating Expenses	74,862	2,394
Net Loss	$ (74,862)	$ (2,394)
Net Loss Per Share – Basic and Diluted	$ (0.00)	$ (0.00)
Weighted Average Shares Outstanding	63,984,554	63,300,001

See accompanying notes to consolidated financial statements

VGambling Inc.
(formerly DK Sinopharma, Inc.)
(A Development Stage Company)
Statement of Cash Flows

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013
Cash flows from operating activities		
Net loss	$ (74,862)	$ (2,394)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable	(3,888)	-
Accrued liabilities	(1,587)	-
Prepaid expenses	(40,000)	-
Net cash used in operating activities	(120,337)	(2,394)
Cash flows from investing activities		
Purchase of License	(30,000)	
Net cash provided by investing activities	(30,000)	-
Cash flows from financing activities		
Proceeds from issuance of common stock	253,625	-
Subscription receivable	-	-
Notes Payable	(59,367)	-
Due to related parties	1,687	2,394
Net cash provided by financing activities	195,945	2,394
Net increase/ (decrease) in cash	$ 45,608	$ -
Cash, beginning of period	$ 8,449	$ -
Cash, end of period	$ 54,057	$ -
Supplemental Disclosures		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

See accompanying notes to consolidated financial statements

1. Nature of Operations and Continuance of Business

VGambling Inc. (formerly DK Sinopharma, Inc.) (the "Company") was incorporated in the state of Nevada on July 22, 2008. On May 20, 2013, the Company entered into a Share Exchange Agreement with H&H Arizona Corporation, an Antigua and Barbuda corporation which is in the business of internet gambling.

On May 10, 2010, the Company completed its merger with Dongke Pharmaceuticals Inc., a Delaware company, in accordance with the Share Exchange Agreement. Pursuant to the Share Exchange Agreement, the Company acquired all of the outstanding capital stock and ownership interests of Dongke from the Dongke shareholders. In exchange for their interests, the Company issued to Donke shareholders an aggregate of 1,941,818 shares of the Company's common stock. The reverse merger was cancelled on April 30, 2013, and 26,700,000 shares were returned to treasure.

On May 20, 2013, the Company entered into a Share Exchange Agreement with H&H Arizona Corporation. Under the terms of the agreement, the Company acquired all of the outstanding capital stock and ownership interests of H&H Arizona Corporation from the H&H Arizona shareholders. In exchange for the interest, the Company issued to the H&H Arizona shareholders 50,000,000 shares of the Company's common stock. As a result of the consummation of the Exchange Agreement, H&H Arizona became the Company's wholly-owned subsidiary and the Company's operating entity.

H&H Arizona Corporation is treated as the "accounting acquirer" in the accompanying financial statements. In the transaction, the Company issued 50,000,000 common shares to the shareholders of H&H Arizona Corporation; such shares represented, immediately following the transaction, 79% of the outstanding shares of the Company. The transaction was accounted for as a "reverse merger" and a reverse recapitalization and the issuances of common stock were recorded as a reclassification between paid-in-capital and par value of Common Stock.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The financial statements present the balance sheet, statements of operations, stockholders' equity (deficit) and cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States.

The Company's consolidated financial statements are prepared using the accrual method of accounting. These consolidated statements include the accounts of the Company and its subsidiary H&H Arizona Corporation. All significant intercompany transactions and balances have been eliminated. The Company has elected a June 30 year-end.

b) Use of Estimates and Assumptions

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

2. Summary of Significant Accounting Policies (Continued)

d) Income Taxes

The Company accounts for income taxes under ASC 740 "Income Taxes," which codified SFAS 109, "Accounting for Income Taxes" and FIN 48 "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109." Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

e) Net Loss per Share

Net income (loss) per common share is computed pursuant to ASC Topic 260 "Earnings per Share." ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement.

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

f) Foreign Currency Translation

The Company's functional and reporting currency is the US dollar. Foreign exchange items are translated to US dollars in accordance with ASC 830, "Foreign Currency Translation Matters", using the exchange rate prevailing at the balance sheet date. Monetary assets and liabilities are translated using the exchange rate at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the period. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

g) Share Based Expenses

The Company records stock-based compensation in accordance with ASC 718, Compensation – Stock Based Compensation, and ASC 505-50, Equity Based Payments to Non-Employees, using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued.

i) Recent Accounting Pronouncements

The Company has limited operations and is considered to be in the development stage. During the year ended June 30, 2013, the Company has elected to early adopt Accounting Standards Update No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements*. The adoption of this Update allows the Company to remove the inception-to-date information and all references to development stage.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Going Concern

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize it assets and discharge its liabilities in the normal course of business. During the period ended September 30, 2014, the Company has an accumulated deficit of $371,285. The Company is licensed to conduct online gambling. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

4. Acquisition of H&H Arizona Corporation and Recapitalization

On May 20, 2013, the Company entered into a Share Exchange Agreement with H&H Arizona Corporation. Under the terms of the agreement, the Company acquired all of the outstanding capital stock and ownership interests of H&H Arizona from the H&H Arizona shareholders. In exchange for the interest, the Company issued to the H&H Arizona shareholders 50,000,000 shares of the Company's common stock. As a result of the consummation of the Exchange Agreement, H&H Arizona became the Company's wholly-owned subsidiary and the Company's operating entity.

5. Related Party Transactions

a) As at September 30, 2014, the Company was indebted to the President of the Company in the amount of $32,373 (June 30, 2014 - $30,686), which is non-interest bearing, unsecured, and due on demand.

b) Grant Johnson, the President of the Company, had forgiven a total of $85,000, 60,000 and 60,000 salary during the period ended June 30, 2012, 2013 and 2014, respectively.

c) During the three months period ended September 30, 2014, the Company incurred rent of $1,653 (September 30, 2013 - $1,493) to the President of the Company. The company rent office from the President of the Company month to month.

d) On February 20, 2013, the Company entered into an employment contract with Mr. Shawn Erickson to issue 10,000,000 common shares at a price of $0.01 per share to Mr. Erickson in exchange for his services. Mr. Erickson's employment contract was terminated on May 20, 2013, the Company did not seek the refund of $75,000 worth of shares issued as one of the conditions of the termination of the employment contract. The company expensed remaining balance of $75,000 at termination date.

6. Convertible promissory notes

a) On February 28, 2014, the Company entered into a convertible promissory note agreement with an arms length individual whereby the Company has borrowed $9,367 (CAD$10,000).

The Note is interest bearing at 5% per month, calculated monthly, not in advance, The Company is obligated to repay the principal with any interest by December 31, 2014. The Note is convertible into Common Shares at a 50% discount to the price of Common Shares offered in the next round equity investors of the Company.

The Company and noteholder agreed to convert the convertible promissory note plus accrued interest $2,729 (CAD$3,000) at $0.05 per share for a total of 236,500 shares in September 2014.

6. Convertible promissory notes (Continued)

b) On April 4, 2014, the Company entered into a convertible promissory note agreement with an arms length individual whereby the Company has borrowed $50,000.

The convertible promissory note is interest bearing at 12% per annum commencing April 4, 2014. The Company is obligated to repay the principal with any interest by April 5, 2015 (the "maturity date"). The convertible promissory note is convertible on or before the date of the repayment in full of this note in an equity finance resulting in gross proceeds to the Company of at least $500,000.00 (including the conversion of the note and other debts (a "Qualified Financing")), then the holder of the outstanding principal and unpaid accrued interest balance of this note shall have the option to convert, in whole or in part, by the Holder into such note at a conversion price equal to 50% of the per share price paid by the investors, and otherwise on the same terms and conditions as given to the Investors in the Qualified Financing. If the conversion of this Note would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of one share of the class and series of shares into which this Note has converted by such fraction, unless such amount is less than ten dollars ($10).

The Company and noteholder agreed to convert the convertible promissory notes of $50,000 plus accrued interested $3,000 at $0.075 per share for a total of 706,667 shares in September 2014.

7. Common Stock

a) On May 10, 2010, the Company entered into a Share Exchange Agreement with the Dong Ke Pharmaceutical, Inc., a Delaware corporation. Pursuant to the terms of the Share Exchange Agreement, the Company acquired all of the outstanding capital stock and ownership interests of Dong Ke from the Dong Ke shareholders. In exchange for the interest, the Company issued to the Dong Ke shareholders 1,941,818 shares of the Company's common stock. Additionally, as a result of the consummation of the Exchange Agreement, 10,015,000 of the Company shares were cancelled.

On April 30, 2013, the Company entered into an Agreement to reverse the above agreement and cancelled 1,941,818 of the Company shares.

b) On April 30, 2013, the Company issued 10,000,000 shares at a fair value of $100,000 as a commencement bonus for consulting services to the Company's President.

c) On May 20, 2013, the Company entered into a Share Exchange Agreement with H&H Arizona Corporation, an Antigua and Barbuda corporation. Pursuant to the terms and the Share Exchange Agreement, the Company acquired all of the outstanding capital stock and ownership interest of H&H from the H&H shareholders. In exchange for the interest, the Company issued to the H&H shareholders 50,000,000 shares of the Company's common stock.

d) On August 29, 2014, the $50,000 promissory note and accrued interested were converted to 706,667 shares of the Company's common stock.

e) On September 11, 2014, the $9,367 (CAD $10,000) promissory note and accrued interest were converted to 236,500 shares of the Company's common stock.

f) On September 11, 2014, the Company issued 308,000 shares at a fair value of $30,800 in exchange for consulting services.

g) On September 11, 2014, the Company issued 1,580,000 common shares at $0.10 per share for proceeds of $158,000.