

VITAXEL GROUP LTD

FORM 10-Q/A (Amended Quarterly Report)

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Sector	Consumer Non-Cyclicals
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

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

For the quarterly period ended **September 30, 2017**

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: **333-201365**

VITAXEL GROUP LIMITED
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation)

30-0803939
(I.R.S. Employer Identification No.)

Wisma Ho Wah Genting, No. 35
Jalan Maharajalela, 50150
Kuala Lumpur, Malaysia
(Address of principal executive offices)

603.2143.2889
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller Reporting company)

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

There were 54,087,903 shares of the issuer's common stock outstanding as of May 11, 2018.

EXPLANATORY NOTE

This Amendment No. 1 to the Quarterly Report on Form 10-Q/A (this "Amendment") is being filed to amend and restate in its entirety Part 1 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 as originally filed with SEC on May 22, 2017 (the "Original Form 10-Q").

The Consolidated Balance Sheets, Consolidated Statement of Income and Comprehensive Loss for the quarter and nine months period ended September 30, 2017 and Consolidated Statements of Cash Flows included in this Amendment have been restated to correct the revenue, cost of goods sold and operating expenses.

Except as described above, this Amendment does not modify or update the disclosures presented in, or exhibits to, the Original Form 10-Q in any way. Those sections of the Original Form 10-Q that are unaffected by the Amendment are not included herein. This Amendment continues to speak as of the date of the Original Form 10-Q. Furthermore, this Amendment does not reflect events occurring after the dates of the Original Form 10-Q. Accordingly, this Amendment should be read in conjunction with the Original Form 10-Q, and with our subsequent filings with the SEC.

VITAXEL GROUP LIMITED
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED September 30, 2017
TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1.</u> <u>Financial Statements (unaudited)</u>	3
<u>Item 2.</u> <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	16
<u>Item 3.</u> <u>Quantitative and Qualitative Disclosures About Market Risk</u>	20
<u>Item 4.</u> <u>Controls and Procedures</u>	20
<u>Item 6.</u> <u>Exhibits</u>	21
<u>SIGNATURES</u>	22

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

	<u>PAGE</u>
Consolidated Balance Sheets as of September 30, 2017 (unaudited) and December 31, 2016 (audited)	4
Consolidated Statements of Comprehensive Income (Loss) for the Three-month and Nine-month Periods Ended September 30, 2017 and 2016 (unaudited)	5
Consolidated Statements of Cash Flows for the Nine-month Periods Ended September 30, 2017 and 2016 (unaudited)	6
Notes to Consolidated Financial Statements (unaudited)	7

Vitaxel Group Limited
CONSOLIDATED BALANCE SHEETS
As of September 30, 2017 and December 31, 2016
(In U.S.dollars)

	<u>As of September 30,</u> 2017 (Unaudited)	<u>As of December 31,</u> 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 170,478	\$ 105,432
Accounts receivable	—	1,944
Inventories	27,417	53,913
Amount due from related companies	14,866	27,082
Amount due from an associated companies	108,406	—
Due from director	1,744	5,427
Other receivables, prepayments and other current assets	28,172	27,048
Total Current Assets	<u>351,083</u>	<u>220,846</u>
NON-CURRENT ASSETS		
Investment in associated company	—	—
Property, plant and equipment, net	214,518	194,669
Total Non-Current Assets	<u>214,518</u>	<u>194,669</u>
TOTAL ASSETS	<u>\$ 565,601</u>	<u>\$ 415,515</u>
CURRENT LIABILITIES		
Amounts due to related companies	\$ 1,527,999	\$ 632,239
Amounts due to an associated company	—	279,219
Commission payables	146,723	115,915
Accounts payable	8,628	8,251
Accruals and other payables	608,995	446,487
Total Current Liabilities	<u>2,292,345</u>	<u>1,482,111</u>
TOTAL LIABILITIES	<u>2,292,345</u>	<u>1,482,111</u>
Commitments and Contingencies		
STOCKHOLDERS' EQUITY		
Common stock par value \$0.0001: 70,000,000 shares authorized and 54,087,903 shares outstanding	5,409	5,409
Preferred stock par value \$0.0001: 1,000,000 shares authorized; and 0 outstanding	—	—
Additional paid-in capital	4,749,798	1,340,194
Accumulated deficit	(6,345,165)	(2,639,138)
Accumulated other comprehensive (loss) / income	(136,786)	226,939
Total Stockholders' Equity	<u>(1,726,744)</u>	<u>(1,066,596)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 565,601</u>	<u>\$ 415,515</u>

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

Vitaxel Group Limited
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE LOSS
(In U.S. dollars)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
REVENUE	\$ 13,803	\$ 434,890	\$ 554,149	\$ 1,729,802
COST OF REVENUE	(7,389)	(312,278)	(185,146)	(1,223,587)
GROSS PROFIT	6,414	122,612	369,003	506,215
OPERATING EXPENSES				
Selling expense	(433)	(80)	(691)	(1,595)
General and administrative expenses	(290,608)	(373,645)	(4,504,102)	(1,303,948)
Total Operating Expenses	(291,041)	(373,725)	(4,504,793)	(1,305,543)
LOSS FROM OPERATIONS	(284,627)	(251,113)	(4,135,790)	(799,328)
INVESTMENT INCOME, NET	—	36,412	—	36,412
OTHER INCOME/(EXPENSE), NET				
Other Income	200	—	43,830	61,020
Other Expense	(24,441)	(22,609)	(24,635)	(21,756)
Total Other Income / (Expense), net	(24,241)	(22,609)	19,195	39,264
NET LOSS BEFORE TAXES	(308,868)	(237,310)	(4,116,595)	(723,652)
Income tax expense	—	—	—	—
Net gain/(loss)	<u>\$ (308,868)</u>	<u>\$ (237,310)</u>	<u>\$ (4,116,595)</u>	<u>\$ (723,652)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME				
Foreign currency translation adjustment	214,920	74,022	(12,019)	(31,804)
TOTAL COMPREHENSIVE (LOSS)	<u>\$ (93,948)</u>	<u>\$ (163,288)</u>	<u>\$ (4,128,614)</u>	<u>\$ (755,456)</u>
Weighted average number of shares outstanding during the period – basic and diluted	<u>54,087,903</u>	<u>49,364,705</u>	<u>54,087,903</u>	<u>49,364,705</u>
Net loss per share – Basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>

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

Vitaxel Group Limited
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. dollars)
(Unaudited)

	For the Period Ended September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,116,595)	\$ (723,652)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation – property, plant and equipment	19,367	15,604
Issuance of employee equity incentive plan	3,409,604	—
Prepayment	(3,527)	(470)
Other receivables and other assets	2,403	(46,042)
Deferred tax asset	—	(7,914)
Inventories	26,496	(7,026)
Accounts receivable	1,944	—
Amount due from associate	(112,119)	—
Trade creditor	377	6,203
Amount due from related parties	12,216	(24,623)
Commission payables	30,808	(271,968)
Other payables and accrued expenses	162,508	(124,131)
Deferred tax liability	—	7,914
Tax payable	—	(11,901)
Net cash (used in) generated from operating activities	<u>(566,518)</u>	<u>(1,188,006)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(39,216)	(115,286)
Purchase of intangible assets	—	(4,724)
Net cash used in investing activities	<u>(39,216)</u>	<u>(120,010)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from directors	3,683	24,201
Proceeds from related parties	620,254	1,108,723
Net cash provided by (used in) financing activities	<u>623,937</u>	<u>1,132,924</u>
EFFECT OF EXCHANGE RATES ON CASH	46,843	(31,804)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	65,046	(206,896)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>105,432</u>	<u>303,794</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 170,478</u>	<u>\$ 96,898</u>
SUPPLEMENTAL OF CASH FLOW INFORMATION		
Cash paid for interest expenses	\$ —	\$ —
Cash paid for income tax	\$ —	\$ —

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

Vitaxel Group Limited
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In U.S. dollars)
(Unaudited)

1. ORGANIZATION AND BUSINESS

Vitaxel Group Limited (formerly Albero, Corp., the “Company”), incorporated in Nevada, is engaged in direct selling industry and online shopping platform primarily through its operating entities in Malaysia.

Vitaxel SDN BHD (“Vitaxel”), was incorporated in Malaysia on August 10, 2012. The Company is primarily engaged in the direct selling industry utilizing a multi-level marketing model with an emphasis on travel, entertainment and lifestyle products and services.

Vitaxel Online Mall SDN BHD (“Vionmall”), was incorporated in Malaysia on September 22, 2015. The Company is primarily in developing online shopping platforms geared to Vitaxel and its members and the third party suppliers of products and services.

Vitaxel Singapore PTE. Ltd. (“Vitaxel Singapore”) was incorporated in Singapore on February 16, 2016. This subsidiary was disposed on August 21, 2017.

REVERSE ACQUISITION

On January 18, 2016, the Company completed and closed a share exchange (the “Share Exchange”) under a Share Exchange Agreement (the “Share Exchange Agreement”) of the same date among us, Vitaxel SDN BHD, a Malaysian corporation (“Vitaxel”), the shareholders of Vitaxel, Vitaxel Online Mall SDN BHD, a Malaysian corporation (“Vionmall”) and the shareholders of Vionmall pursuant to which Vitaxel and Vionmall each became wholly owned subsidiaries of ours. In the Share Exchange, all of the outstanding shares of Vitaxel and Vionmall were converted into shares of our Common Stock, as described in more detail below.

On January 18, 2016, in connection with the Share Exchange and pursuant to the Split-Off Agreement, we transferred our pre-Share Exchange assets and liabilities to our pre-Share Exchange majority stockholder, in exchange for the surrender by him and cancellation of 3,000,000 shares of our Common Stock

As a result of the Share Exchange and Split-Off, we discontinued our pre-Share Exchange business and acquired the businesses of Vitaxel and Vionmall, and will continue the existing business operations of Vitaxel and Vionmall as a publicly-traded company under the name Vitaxel Group Limited.

In accordance with “reverse acquisition” accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the acquisition will be replaced with the historical financial statements of Vitaxel and Vionmall prior to the Share Exchange in all future filings with the U.S. Securities and Exchange Commission, (the “SEC”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information article 8 of Regulation S-X.

This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The Company’s financial statements are expressed in U.S. dollars.

Fiscal year end is December 31.

Use of estimates

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

Foreign currency translation and transactions

The functional currency of the Company is the Malaysian Ringgit (“MYR”) and reporting currency of the Company is United States Dollar (“USD”). The financial statements of the Company are translated into USD using the exchange rate as of the balance sheet date for assets and liabilities and average exchange rate for the year for income and expense items. Translation gains and losses are recorded in accumulated other comprehensive income or loss as a component of shareholders’ equity.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments, which are unrestricted from withdrawal or use, and which have original maturities of three months or less when purchased.

Accounts receivable

Accounts receivable are recognized and carried at original invoiced amount less an allowance for any potential uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred. The Company generally does not require collateral from its customers. For the period ended September 30, 2017 and for the year ended December 31, 2016, the Company did not write off any accounts receivable as bad debts.

Fair value of financial instruments

FASB ASC 820, “Fair Value Measurement,” specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As of September 30, 2017 and December 31, 2016, none of the Company’s assets and liabilities was required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivables, payables and accrued liabilities, approximate their fair values due to the short term nature of these financial instruments. There were no changes in methods or assumptions during the periods presented.

Inventories

Inventories are stated at lower of cost or realizable value, effective for fiscal years beginning after December 15, 2016, with cost determined on a weighted-average method, and not to exceed net realizable value. The Company writes down its inventory balances for obsolete amounts estimated on an individual basis for the finished goods and the raw material items with large amounts, and by a category basis for low value raw material items.

Long-term investment

The Company's interests in associated companies are accounted for under equity method under U.S. GAAP. Under the equity method, if the Company's share of losses of an associated company equals or exceeds the amount of investment plus advances made by the Company, the Company ordinarily discontinues including its share of losses and the investment is reported at nil value. If the associated company subsequently reports net income, the Company will resume applying the equity method only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

Property, plant and equipment, net

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Office equipment	10 years
Furniture and fixtures	10 years
Leasehold improvement	10 years

Revenue recognition

Product sales – The Company generally recognizes revenue upon delivery and when both the title and risk and rewards pass to the independent members or purchasers of the products. Product sales are recognized net of product returns, discounts and taxes. A reserve for product returns is accrued based on historical experience. There was no deferred revenue accrued as of September 30, 2017 and December 31, 2016.

Membership fee – The Company recognizes the membership fee revenue over the term of the membership, which is 12 months. The revenue will not be recognized until the 14 days cooling-off period is expired. For the period ended September 30, 2017 and for the year ended December 31, 2016, all membership fees were waived by the Company for promotion purpose.

Loyalty program

The Company operates loyalty program which allows customer to accumulate redemption points when they purchase products from the Company. The redemption points can be used to purchase a selection of products at discounted price or redeem products.

The Company allocates consideration received from the sale of goods to the goods sold and the redemption points issued that are expected to be redeemed.

The consideration allocated to the redemptions points issued is measured at fair value of the redemption points. It is recognized as a liability (deferred revenue) in the statement of financial position and recognized as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognized is based on the number of points that have been redeemed, relative to the number expected to redeem.

As of September 30, 2017 and December 31, 2016, there was no such deferred revenue recorded.

Commission expense

Commission expense incurred by the Company is recognized as cost of revenue and as a liability commission payable in the consolidated balance sheet. Commission expense is not recoverable once recognized and is expensed as incurred.

Income taxes

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

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes are classified as a component of the provisions for income taxes. The Company did not recognize any income tax due to uncertain tax positions or incur any interest and penalties related to potential underpaid income tax expense as of September 30, 2017 and December 31, 2016.

Forward Stock split

On January 27, 2016, our Board of Directors declared a 1333-for-1 forward stock split of our outstanding common stock, par value \$0.000001 per share in the form of a dividend (the “Stock Split”) with a record date of February 8, 2016 (the “Record Date”). On February 22, 2016, Financial Industry Regulatory Authority, Inc. (“FINRA”) notified us of its announcement of the payment date of the Stock Split as February 23, 2016 (the “Payment Date”). On the Payment Date, as a result of the Stock split, each holder of our common stock as of the Record Date received 1332 additional shares of our common stock for each one share owned, rounded up to the nearest whole share. All common stock share amounts referenced in this Quarterly Report give retroactive effect to the Stock Split.

Reverse Stock split

On May 25, 2017, the Board of Directors authorized and approved an amendment (the “Amendment”) to Vitaxel’s Amended and Restated Articles of Incorporation, which authorized a one hundred-to-one reverse stock split (the “Reverse Split”) of Vitaxel’s outstanding common stock, par value \$0.000001 per share, with a record date of June 12, 2017 (the “Record Date”).

As of the effective date of the Reverse Split, every 100 outstanding shares of the Company’s common stock automatically became one share of common stock. The Company’s authorized shares of common stock were reduced in proportion to the reverse split ratio, from 7,000,000,000 shares of authorized common stock prior to the effective date to 70,000,000 shares of authorized common stock on the effective date, and from 100,000,000 shares of authorized preferred stock prior to the effective date to 1,000,000 shares of authorized preferred stock on the effective date. Additionally, as part of the Reverse Split, the par value of both the Company’s common stock and its preferred stock was increased from \$0.000001 per share to \$0.0001 per share. Immediately prior to the Reverse Split the Company had 5,408,754,000 common shares issued and outstanding and had approximately 54,087,540 common shares issued and outstanding immediately after the Reverse Split.

We expect that the Reverse Stock Split will (i) increase the marketability and liquidity of our common stock; (ii) address liquidity of our common stock; (iii) address the reluctance of brokerage firms and institutional investors to recommend lower priced stocks to their clients or to hold in their own portfolios; and (iv) enable us to maintain the quotation of our common stock on the OTC Markets, Inc. QB Tier.

Separately, on May 30, 2017, the Board of Directors of Vitaxel authorized and approved a related increase in the par value of Vitaxel common stock from \$0.000001 to \$0.0001.

On June 13, 2017, Vitaxel received approval from the Financial Industry Regulatory Authority (“FINRA”) to effectuate the Reverse Split at the open of business on June 15, 2017.

Comprehensive loss

Comprehensive loss includes net loss and cumulative foreign currency translation adjustments and is reported in the Combined Statement of Comprehensive Loss.

Loss per share

The loss per share is computed using the weighted average number of shares outstanding during the fiscal years. For the period ended September 30, 2017 and for the year ended December 31, 2016, there was no dilutive effect due to net loss.

Related party transactions

A related party is generally defined as:

- (i) any person that holds the Company’s securities including such person’s immediate families,
- (ii) the Company’s management,
- (iii) someone that directly or indirectly controls, is controlled by or is under common control with the Company, or
- (iv) anyone who can significantly influence the financial and operating decisions of the Company.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Recently issued accounting pronouncements

Revenue Recognition: In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The amendments in ASU 2015-14 defer the effective date of ASU 2014-09 for all entities by one year. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. The Company continues to assess the impact this ASU, and related subsequent updates, will have on its consolidated financial statements. As of September 30, 2017, the Company has not identified any material impact to its consolidated net income relating to this ASU.

Financial instrument : In January 2016, the FASB issued ASU No. 2016-01, “Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU 2016-01”). The standard addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and early adoption is not permitted. Accordingly, the standard is effective for us on September 1, 2018. We are currently evaluating the impact that the standard will have on our consolidated financial statements.

Leases : In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-2”), which provides guidance on lease amendments to the FASB Accounting Standard Codification. This ASU will be effective for us beginning in May 1, 2019. We are currently in the process of evaluating the impact of the adoption of ASU 2016-2 on our consolidated financial statements.

The Company believes that there were no other accounting standards recently issued that had or are expected to have a material impact on our financial position or results of operations.

3. GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has incurred losses since its inception resulting in an accumulated deficit of \$6,345,165 as of September 30, 2017. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. These combined 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.

The Company expects to finance operations primarily through cash flow from revenue and capital contributions from principal shareholders. In the event that we require additional funding to finance the growth of the Company’s current and expected future operations as well as to achieve our strategic objectives, our principal shareholders have indicated the intent and ability to provide additional equity financing.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent on our ability to meet obligations as they become due and to obtain additional equity or alternative financing required to fund operations until sufficient sources of recurring revenues can be generated. There can be no assurance that the Company will be successful in its plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

4. OTHER RECEIVABLES, PREPAYMENTS AND OTHER CURRENTASSETS

Other receivables and other assets consist of the following:

	As of September 30, 2017	As of December 31, 2016
Deposits (1)	\$ 10,884	\$ 19,497
Prepayments (2)	8,597	5,070
Others (3)	8,691	2,481
	<u>\$ 28,172</u>	<u>\$ 27,048</u>

- (1) Deposits represented payments for rental, utilities, and construction funds to government department.
(2) Prepayments mainly consists of prepayment for insurance and IT related fees.
(3) Others mainly consists other miscellaneous payments.

5. LONG-TERM INVESTMENT

On April 20, 2016, the Company invested 958,000 Thai Baht or \$27,539 to Vitaxel Corporation Thailand Co., Ltd., a company registered in Thailand, and hold 47.99% shares of it. The long-term investment is accounted using the equity method.

Long-term investment consists of the following:

	As of September 30, 2017	As of December 31, 2016
Long-term investment - In an associated company	\$ 27,539	\$ 27,539
Long-term investment - share of loss in investment in an associated company	(24,408)	(25,716)
Foreign currency translation adjustment	(3,131)	(1,823)
	<u>\$ —</u>	<u>\$ —</u>

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consist of the following:

	As of September 30, 2017	As of December 31, 2016
Office equipment	\$ 26,774	\$ 30,476
Computer equipment	93,198	61,516
Furniture and fittings	7,648	7,131
Electrical & fitting	359	337
Motor vehicle	16,279	15,315
Software and website	11,100	7,544
Renovations	104,344	98,167
	<u>259,702</u>	<u>220,486</u>
Less: Accumulated depreciation	<u>(45,184)</u>	<u>(25,817)</u>
Balance at end of period/year	<u>\$ 214,518</u>	<u>\$ 194,669</u>

Depreciation expenses charged to the statements of operations for the period ended September 30, 2017 and September 30, 2016 were \$19,367 (3 months \$8,468) and \$15,604 (3 months \$5,820) respectively.

7. **ACCRUALS AND OTHER PAYABLES**

Accruals and other payables consist of the following:

	As of September 30, 2017	As of December 31, 2016
Provisions	\$ 29,219	\$ 21,243
Others (1)	579,776	425,244
Balance at end of period/year	<u>\$ 608,995</u>	<u>\$ 446,487</u>

(1) Other payables mainly consist of members allocated redemption points and commission payable.

8. RELATED PARTIES TRANSACTIONS

	As of September 30, 2017	As of December 31, 2016
Amount of due from related parties		
Beedo SDN BHD (1)	\$ 14,272	\$ 18,062
Ho Wah Genting Berhad	—	9,020
Ho Wah Genting Group Sdn Berhad	594	—
Balance at end of period/year	<u>\$ 14,866</u>	<u>\$ 27,082</u>

(1) Beedo SDN BHD was a subsidiary of related company Ho Wah Genting Group SDN BHD from June 25, 2015 to August 12, 2016.

Amount of due from director		
Lim Wee Kiat	\$ —	\$ 1,482
Leong Yee Ming	\$ 1,744	\$ 3,945
Balance at end of period/year	<u>\$ 1,744</u>	<u>\$ 5,427</u>

Amount of due from an associated company		
Vitaxel Corporation (Thailand) Limited (4)	\$ 108,406	\$ —
Balance at end of period/year	<u>\$ 108,406</u>	<u>\$ —</u>

Amount of due to related parties		
Dato' Lim Hui Boon (1)	\$ 64,442	\$ —
Ho Wah Genting Group Sdn Berhad (2)	693,854	607,918
Ho Wah Genting Holiday Sdn Bhd (3)	2,025	8,087
Genting Highlands Taxi Services Sdn Bhd (4)	14,885	16,234
VSpark Malaysia Sdn Bhd	4,761	—
Grande Legacy Inc. (5)	748,032	—
Balance at end of period/year	<u>\$ 1,527,999</u>	<u>\$ 632,239</u>

(1) As of September 30, 2017 and December 31, 2016, the amount due to the President of the Company, Dato' Lim Hui Boon was \$64,442 and \$0, respectively. These amounts were unsecured, interest-free and repayable on demand.

(2) The President of the Company, Dato' Lim Hui Boon, is also the Group President of Ho Wah Genting Group Sdn Bhd.

(3) A former director of the Company, Lim Chun Hoo, is also a director of Ho Wah Genting Holiday Sdn Bhd. On March 31, 2017, Lim Chun Hoo resigned from the Company.

(4) A director of the Company, Lim Wee Kiat, is also a director of Genting Highlands Taxi Services Sdn Bhd and of Vitaxel Sdn Bhd.

(5) A director of the Company, Leong Yee Ming, is also a director of Grande Legacy Inc.

The amount due to the Company's associated company, Vitaxel Corp. (Thailand) Ltd., was \$0 as of September 30, 2017 and \$279,219 as of December 31, 2016.

The Company recognized an expense of \$127,728 pertaining for event, traveling and accommodation expenses during the three months (nine months \$223,429) ended September 30, 2017, which was charged to its related company, Ho Wah Genting Holiday Sdn. Bhd.

The Company recognized an expense of rent totalling \$60,790 of which \$4,818 during the three months ended September 30, 2017 was paid to its affiliate, Ho Wah Genting Berhad and \$14,453 was paid to Malaysia-Beijing Travel Services Sdn Bhd. The operating lease commitment to Ho Wah Genting Berhad as of September 30, 2017 was \$24,088 and \$14,453 to Malaysia-Beijing Travel Services Sdn Bhd. The lease commitment are disclosed in note 9 COMMITMENTS AND CONTINGENCIES below under the heading Operation Commitments.

The Company recognized an expense of \$9,678 pertaining for website maintenance expense during the three months (nine months \$61,231) ended September 30, 2017, which was charged by its related company, Beedo Sdn. Bhd.

9. COMMITMENTS AND CONTINGENCIES

Capital Commitments

The Company engaged a third party to develop an operation software with the total contract amount of \$48,069 as of September 30, 2017.

Operation Commitments

The total future minimum lease payments under the non-cancellable operating lease with respect to the office and the dormitory, as well as hardware trading platform as of September 30, 2017 are payable as follows:

Year ending December 31, 2017	90,810
Year ending December 31, 2018	22,122
Total	\$ 112,932

Rental expense of the Company was \$60,789 and \$90,527 for the period ended September 30, 2017 and 2016, respectively.

10. CORRECTION OF ERROR

On April 16, 2018 the Board of Directors of Vitaxel Group Limited (the "Company") determined that the Quarterly Reports on Form 10-Q for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017 need to be revised. These revisions are necessary due to errors with respect to the (i) cost of goods sold, (ii) shares issued in January 2017 and in March 2017 and (iii) minor corrections in the revenues. Management noted an error in billing to its related party, Vitaxel Corporation Thailand Co., Ltd, for goods sold to them during the two quarters of fiscal year ended December 31, 2017 which led to the changes in cost of goods sold. It was also discovered that shares issued on January 4, 2017 and on March 21, 2017 were not properly recorded in the Form 10-Q for the period ended March 31, 2017. Due to miscommunications within the Company, the shares issued pursuant to the 2016 Equity Incentive Plan were not recorded.

As a result of these errors, cost of goods sold were understated by \$3,395, overstated by \$25,465 and \$51,609 respectively for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017. General and administrative expenses were understated by \$3,409,604 for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017. Revenue was understated by \$38,925 and \$22,236 respectively for the periods ended March 31, 2017 and June 30, 2017, and overstated by \$3,713 for the period ended September 30, 2017.

Accordingly, the previously filed reports should no longer be relied upon and the Company has revised its Consolidated Balance Sheet as of March 31, 2017, June 30, 2017 and September 30, 2017 and Consolidated Statement of Income and Comprehensive Loss for three months ended March 31, 2017, six months ended June 30, 2017 and nine months ended September 30, 2017. The effect of recording the corrections on certain balance sheet accounts are set forth in the below table. The presentation in the Consolidated Statement of Cash Flows have also been restated accordingly.

Accounts	For 3 months ended March 31, 2017		For Six-Month Period ended June 30, 2017		For Nine-Month Period ended September 30, 2017	
	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised
Total Revenue	\$ 445,178	\$ 483,473	\$ 535,793	\$ 558,029	\$ 557,862	\$ 554,149
Cost of Revenue	(135,589)	(138,984)	(203,222)	(177,757)	(236,755)	(185,146)
Gross Profit	309,589	344,489	332,571	380,272	321,107	369,003
General and administrative expenses	(527,060)	(3,936,664)	(803,890)	(4,213,494)	(1,094,498)	(4,504,102)
Loss From Operations	(527,161)	(3,592,276)	(471,577)	(3,833,480)	(774,082)	(4,135,790)
Net Loss	(207,412)	(3,582,116)	(428,141)	(3,790,044)	(754,887)	(4,116,595)
Total Comprehensive Loss	(111,688)	(3,486,392)	(655,080)	(4,016,983)	(766,906)	(4,128,614)
Amount due from an associated company	40,957	79,252	117,156	139,392	112,119	108,406
Accrual and other payables	610,778	614,173	694,100	668,635	660,604	608,995
Additional paid-in capital	1,340,504	4,749,798	1,340,504	4,749,798	1,340,194	4,749,798
Accumulated deficit	(2,870,496)	(6,245,200)	(2,697,919)	(6,059,822)	(2,983,457)	(6,345,165)

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

Statement Regarding Forward-Looking Information

The following management's discussion and analysis should be read in conjunction with the historical financial statements and the related notes thereto contained in this report. The management's discussion and analysis contains forward-looking statements, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect" and the like, and/or future tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. The Company's actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report.

The following discussion highlights the Company's results of operations and the principal factors that have affected our financial condition, as well as our liquidity and capital resources for the periods described, and provides information that management believes is relevant for an assessment and understanding of the statements of financial condition and results of operations presented herein. The following discussion and analysis are based on the Company's unaudited financial statements contained in this Quarterly Report, which we have prepared in accordance with United States generally accepted accounting principles. You should read this discussion and analysis together with such financial statements and the related notes thereto.

Overview; Recent Events

We are a global direct selling, multi-level marketing ("MLM") company offering travel, entertainment, lifestyle and other products and services principally through electronic commerce commonly referred to as e-commerce. Through Vionmall, which went live in January 2016 for Vitaxel members and April 2016 for general public, we employ online shopping web sites for retail sales direct to consumers. We do not develop or manufacture the products and services which we offer. Our principal offices are located in Kuala Lumpur, Malaysia.

Unlike the traditional MLM business model where most of the business model concentrates on particular products and/or services, our business model allows our members to own a sub-domain through Vionmall where they can promote their own products and services (separate from our products and services). We believe that this model is the first of its kind in Asia.

As of September 30, 2017, we had approximately 7,559 members, with approximately 4,096 members in Malaysia, approximately 1,943 members in Thailand, approximately 1,170 members in Singapore, approximately 121 members in the Hong Kong, approximately 82 members in China, approximately 74 members in Taiwan, approximately 47 members in Indonesia and approximately 26 members in other countries. Our members include approximately 3,092 Distributors, 2,028 Supervisors, 72 Managers, 40 Directors, 1,984 Senior Directors, 158 Global Directors, 89 Sapphire Global Directors, 66 Ruby Global Directors, 14 Emerald Global Directors, 6 Diamond Global Directors and 10 Black Diamond Global Directors.

As of September 30, 2017, we have expanded our network member base into approximately 13 Asian countries and approximately 6 other countries. While sales within our local markets may fluctuate due to economic, market and regulatory conditions, competitive pressures, political and social instability or for Company-specific reasons, we believe that our geographic diversity and intended further geographic diversity mitigates and will continue to mitigate our exposure to any one particular market.

Results of Operations –Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

The following discussion should be read in conjunction with our consolidated financial statements in Item 1, *Financial Statements*, for the three months ended September 30, 2017 and 2016 and the related notes thereto.

Revenue

We recognized \$13,803 and \$434,890 revenues for the periods ended September 30, 2017 and 2016, respectively. The decrease in revenue is attributable to a decrease in our sales due to fewer customers in the current period compared to the same period last year.

Cost of Sales

Cost of sales for the period ended September 30, 2017 was \$7,389 compared to \$312,278 for the period ended September 30, 2016. The decrease is comparable to the decrease of revenue, and attributable to higher sales.

Gross Profit

Gross profit for the period ended September 30, 2017 was \$6,414 compared to \$122,612 for the period ended September 30, 2016. The decrease is attributable to the decrease in customers for the current period as compared to the same period last year.

Operating Expenses

For the period ended September 30, 2017, we incurred total operating expenses in the amount of \$291,041, composed of selling expenses of \$433 and general and administrative expenses totaling \$290,608. While, for the period ended September 30, 2016, we incurred total operating expenses in the amount of \$373,725, which was composed of selling expenses of \$80 and general and administrative expenses totalling \$373,645. The increase of \$353, or 441% for the selling expenses, along with the decrease of \$83,037, or 22% for the administrative expenses, caused total operating expenses to decrease by \$82,684, or 22%.

Results of Operations – Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

The following discussion should be read in conjunction with our consolidated financial statements in Item 1, *Financial Statements*, for the nine months ended September 30, 2017 and 2016 and the related notes thereto.

Revenue

We recognized \$554,149 and \$1,729,802 revenues for the periods ended September 30, 2017 and 2016, respectively. The decrease in revenue by 32% is primarily due to the effect of foreign currency translation, or the translation of the applicable foreign currencies into U.S. dollars using the exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate during the period. The increase of revenue in functional currency, or the applicable local currency, is shown as a decrease of that in presentation currency, or U.S. dollars, due to the fluctuation of exchange rates.

Cost of Sales

Cost of sales for the period ended September 30, 2017 was \$185,146 compared to \$1,223,587 for the period ended September 30, 2016. The decrease is due to procurement cost control. Unit purchase prices decreased as procurement scale increased during the nine months ended September 30, 2017 as compared to the same period last year.

Gross Profit

Gross profit for the period ended September 30, 2017 was \$369,003 compared to \$506,215 for the period ended September 30, 2016. The improvement is primarily attributable to the change of commission plan since beginning of 2016 which reduced the cost of revenue. The more effective cost control was achieved by lower percentage of commission offered to the customer. That is reason why both gross profit and gross profit margin was improved even the revenue was comparable between two periods.

Operating Expenses

For the period ended September 30, 2017, we incurred total operating expenses in the amount of \$4,504,793, composed of selling expenses of \$691 and general and administrative expenses totalling \$4,504,102. While, for the period ended September 30, 2016, we incurred total operating expenses in the amount of \$1,305,543, which was composed of selling expenses of \$1,595 and general and administrative expenses totalling \$1,303,948. The decrease of \$904, or 57% for the selling expenses and the increase of \$3,200,154, or 245% for the administrative expenses, caused total operating expenses to increase by \$3,200,854, or 245%.

Liquidity and Capital Resources

As of September 30, 2017, we had a cash balance of \$170,478. During the period ended September 30, 2017, net cash used in operating activities totalled \$566,518. Net cash used in investing activities totalled \$39,216. Net cash generated from financing activities during the period totalled \$623,937. The resulting change in cash for the period was a increase of \$65,046, which was primarily due to cash generated from proceeds from directors and related parties.

As of September 30, 2017, we had current liabilities of \$2,292,345, which was composed of amount due to related parties of \$1,527,999, other payable of \$608,995, commission payables of \$146,723, amount due to a director of \$0, account payable of \$8,628 and tax payable of \$0.

We had net liabilities of \$1,726,744 and \$1,066,596 as of September 30, 2017 and December 31, 2016, respectively.

The Company has incurred losses since its inception resulting in an accumulated deficit of \$6,345,165 as of September 30, 2017, and further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. Our future financial results are also uncertain due to a number of factors, some of which are outside our control. These risk factors include, but are not limited to:

- our ability to raise additional funding; and
- the results of our proposed operations.

Going Concern Consideration

Our financial statements have been prepared on a going concern basis which assumes that we will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future. We have incurred losses since inception resulting in an accumulated deficit of \$2,983,457 as of September 30, 2017 and further losses are anticipated in the development of our business raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our generating profitable operations in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand and/or private placement of common stock. These financials do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts, or amounts and classifications of liabilities that might result from this uncertainty.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements including arrangements that would affect our liquidity, capital resources, market risk support and credit risk support or other benefits.

Critical Accounting Policies and Estimates

There are no material changes from the critical accounting policies set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our December 31, 2016 financial statements included in our Amendment No. 1 to our Current Report on Form 8-K filed with the SEC on April 17, 2016. Please refer to that document for disclosures regarding the critical accounting policies related to our business.

Off-Balance Sheet Arrangements

None

Contractual Obligations

Not applicable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management including our principal executive and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. Based upon their evaluation of those controls and procedures performed as of the end of the period covered by this report, our principal executive and principal financial officer concluded that our disclosure controls and procedures were not effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

As required by Rule 13a-15(e), our management has carried out an evaluation, with the participation and under the supervision of Leong Yee Ming, our Chief Executive Officer, and Lim Wee Kiat, our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as of September 30, 2017. Based upon, and as of the date of this evaluation, Leong Yee Ming, our Chief Executive Officer, and Lim Wee Kiat, our Chief Financial Officer determined that our disclosure controls and procedures were not effective and reflected the following material weaknesses:

a) We did not maintain sufficient personnel with an appropriate level of technical accounting knowledge, experience, and training in the application of GAAP commensurate with our complexity and our financial accounting and reporting requirements. We have limited experience in the areas of financial reporting and disclosure controls and procedures. Also, we do not have an independent audit committee. As a result, there is a lack of monitoring of the financial reporting process and there is a reasonable possibility that material misstatements of the financial statements, including disclosures, will not be prevented or detected on a timely basis; and

b) Due to our small size, we do not have a proper segregation of duties in certain areas of our financial reporting process. The areas where we have a lack of segregation of duties include cash receipts and disbursements, approval of purchases and approval of accounts payable invoices for payment. This control deficiency, which is pervasive in nature, results in a reasonable possibility that material misstatements of the financial statements will not be prevented or detected on a timely basis.

Changes in Internal Controls

During the fiscal quarter ended September 30, 2017, there have been no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
<u>31.1</u>	<u>Certification of Principal Executive Officer and Pursuant to Rule 13a-14</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer Pursuant to Rule 13a-14</u>
<u>32.1*</u>	<u>CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act</u>
<u>32.2*</u>	<u>CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* This certification is being furnished and shall not be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 15, 2018

VITAXEL GROUP LIMITED

By: /s/ Leong Yee Ming

Leong Yee Ming, Chief Executive Officer (principal executive officer)

May 15, 2018

VITAXEL GROUP LIMITED

By: /s/ Lim Wee Kiat

Lim Wee Kiat, Chief Financial Officer (principal financial and accounting officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Leong Yee Ming, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Vitaxel Group Limited
2. Based on my knowledge, the quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Date: May 15, 2018

/s/ Leong Yee Ming

Leong Yee Ming, Chief Executive Officer (principal executive officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lim Wee Kiat, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Vitaxel Group Limited
2. Based on my knowledge, the quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Date: May 15, 2018

/s/ Lim Wee Kiat

Lim Wee Kiat, Chief Financial Officer (principal financial and accounting officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Vitaxel Group Limited. (the "Company") on Form 10-Q/A for the quarter ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leong Yee Ming, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: May 15, 2018

/s/ Leong Yee Ming

Leong Yee Ming, Chief Executive Officer (principal executive officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Vitaxel Group Limited. (the "Company") on Form 10-Q/A for the quarter ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lee Wei Boon, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: May 15, 2018

/s/ Lim Wee Kiat

Lim Wee Kiat, Chief Financial Officer (principal financial and accounting officer)
