

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission file number 333-211778

**GH CAPITAL, INC.**

(Exact name of registrant as specified in its charter)

**Florida**

(State or other jurisdiction of  
incorporation or organization)

**38-3955212**

(I.R.S. Employer  
Identification No.)

**200 South Biscayne Boulevard, Suite 2790  
Miami, FL**

(Address of principal executive offices)

**33131**

(Zip Code)

**(305) 714-9397**

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 60,044,318 shares as of May 22, 2017.

**GH CAPITAL, INC.**  
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**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**GH CAPITAL INC.  
CONDENSED BALANCE SHEETS**

	<u>March 31,</u> <u>2017</u> <u>(Unaudited)</u>	<u>September 30,</u> <u>2016</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 18,075	\$ 34,572
Marketable securities	2,273	12,436
Accounts receivable	519	—
Accounts receivable - related party	1,267	1,223
Prepaid expenses and other current assets	<u>1,494,433</u>	<u>6,000</u>
Total Current Assets	1,516,567	54,231
Capitalized software development costs, net	<u>63,056</u>	<u>78,189</u>
Total Assets	<u>\$ 1,579,623</u>	<u>\$ 132,420</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 10,028	\$ 6,359
Accrued expenses	19,500	25,500
Due to related parties	3,183	3,183
Deferred revenue - related party	<u>—</u>	<u>4,000</u>
Total Current Liabilities	<u>32,711</u>	<u>39,042</u>
Stockholders' Equity:		
Preferred stock (\$0.0001 par value; 10,000,000 shares authorized; No shares issued and outstanding at March 31, 2017 and September 30, 2016)	—	—
Common stock (\$0.0001 par value; 490,000,000 shares authorized; 59,854,318 and 34,617,417 shares issued and outstanding at March 31, 2017 and September 30, 2016, respectively)	5,985	3,462
Additional paid-in capital	5,163,773	371,088
Accumulated deficit	(3,623,281)	(280,057)
Accumulated other comprehensive income (loss) - marketable securities	<u>435</u>	<u>(1,115)</u>
Total Stockholders' Equity	<u>1,546,912</u>	<u>93,378</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,579,623</u>	<u>\$ 132,420</u>

See accompanying condensed notes to unaudited financial statements.

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**GH CAPITAL INC.**  
**CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Unaudited)**

	For the Three Months Ended		For the Six Months Ended	
	March 31,		March 31,	
	2017	2016	2017	2016
Revenues:				
Third party	\$ 868	\$ 7,500	\$ 1,931	\$ 15,000
Related party	5,862	2,000	11,460	4,000
Total revenues	6,730	9,500	13,391	19,000
Cost of revenues	8,289	2,996	14,819	5,769
Gross (loss) profit	(1,559)	6,504	(1,428)	13,231
Operating Expenses:				
Compensation	2,951,000	4,163	2,957,900	9,513
Amortization of software development costs	7,566	—	15,133	—
Professional fees	290,989	25,869	355,605	36,507
Other selling, general and administrative expenses	3,347	1,661	11,427	4,552
Total operating expenses	3,252,902	31,693	3,340,065	50,572
Loss from operations	(3,254,461)	(25,189)	(3,341,493)	(37,341)
Other Income (Expenses):				
Gain (loss) from foreign currency transactions	264	22	(38)	(674)
Gain (loss) on sale of marketable securities	1,874	(2,445)	(1,693)	(2,445)
Total other income (expenses)	2,138	(2,423)	(1,731)	(3,119)
Loss before income taxes	(3,252,323)	(27,612)	(3,343,224)	(40,460)
Provision for income taxes	—	—	—	—
Net Loss	\$ (3,252,323)	\$ (27,612)	\$ (3,343,224)	\$ (40,460)
Comprehensive Loss:				
Net loss	\$ (3,252,323)	\$ (27,612)	\$ (3,343,224)	\$ (40,460)
Unrealized (loss) gain on available-for-sale marketable securities	(262)	1,646	1,550	2,257
Comprehensive loss	\$ (3,252,585)	\$ (25,966)	\$ (3,341,674)	\$ (38,203)
Net Loss per Common Share - basic and diluted	\$ (0.07)	\$ (0.00)	\$ (0.09)	\$ (0.00)
Weighted Average Common Shares Outstanding - Basic and diluted	43,441,895	33,896,083	39,137,420	33,852,745

See accompanying condensed notes to unaudited financial statements.

**GH CAPITAL INC.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	<b>For the Six Months Ended</b>	
	<b>March 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (3,343,224)	\$ (40,460)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation and fees	3,225,802	11,612
Amortization of software development costs	15,133	—
Loss on sale of marketable securities	1,693	—
Changes in operating assets and liabilities:		
Accounts receivable	(519)	—
Accounts receivable - related party	(44)	—
Prepaid expenses	(46,285)	6,525
Accounts payable	15,669	15,384
Accrued expenses	(6,000)	—
Deferred revenue - related party	(4,000)	(4,000)
Deferred revenue	—	(15,000)
Net cash used in operating activities	<u>(141,775)</u>	<u>(25,939)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of marketable securities	(659)	(19,162)
Proceeds from sale of marketable securities	10,679	5,612
Capitalized software development costs	—	(32,174)
Net cash provided by (used in) investing activities	<u>10,020</u>	<u>(45,724)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from sale of common stock	<u>115,258</u>	<u>—</u>
Net cash provided by financing activities	<u>115,258</u>	<u>—</u>
Net decrease in cash	(16,497)	(71,663)
Cash - beginning of period	<u>34,572</u>	<u>128,627</u>
Cash - end of period	<u>\$ 18,075</u>	<u>\$ 56,964</u>
<b>Cash paid for:</b>		
Interest	<u>\$ —</u>	<u>\$ —</u>
Income taxes	<u>\$ —</u>	<u>\$ —</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Common stock issued for future services	<u>\$ 1,686,084</u>	<u>\$ 6,300</u>
Common stock issued for accounts payable	<u>\$ 12,000</u>	<u>\$ —</u>
Unrealized gain (loss) on marketable securities	<u>\$ 1,550</u>	<u>\$ (2,256)</u>

See accompanying condensed notes to unaudited financial statements.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS**

GH Capital Inc. (the “Company”), a Florida corporation, was formed on May 5, 2014 and commenced operations in October 2014. The Company provides online payment processing services to consumers, primarily in Europe.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Management acknowledges its responsibility for the preparation of the accompanying unaudited condensed financial statements which reflect all adjustments, consisting of normal recurring adjustments, considered necessary in its opinion for a fair statement of its financial position and the results of its operations for the periods presented. The accompanying unaudited condensed financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (the “U.S. GAAP”) for interim financial information and with the instructions Article 8-03 of Regulation S-X. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. Certain information and note disclosure normally included in financial statements prepared in accordance with U.S. GAAP has been condensed or omitted from these statements pursuant to such accounting principles and, accordingly, they do not include all the information and notes necessary for comprehensive financial statements. These unaudited condensed financial statements should be read in conjunction with the summary of significant accounting policies and notes to the financial statements for the years ended September 30, 2016 and 2015 of the Company which were included in the Company’s annual report on Form 10-K as filed with the Securities and Exchange Commission on December 19, 2016.

**Going Concern**

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying unaudited condensed financial statements, the Company had a net loss of \$3,343,224 for the six months ended March 31, 2017. The net cash used in operations was \$141,775 for the six months ended March 31, 2017. Additionally, the Company had an accumulated deficit of \$3,623,281 at March 31, 2017. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company is in the process in building its customer base and expects to generate increased revenues and the Company is seeking to raise capital through additional debt and/or equity financings to fund its operations in the future. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Although the Company has historically raised capital from sales of common stock, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail its operations. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could be affected by those estimates. Included in these estimates are valuation of marketable securities, assumptions used in determining the useful lives and valuations of long-lived assets, valuation allowances for deferred tax assets and the fair value of the Company's common stock, which from time to time may be issued in exchange for services provided in lieu of cash.

**Fair Value of Financial Instruments**

The Company uses the guidance of ASC Topic 820 for fair value measurements which clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash, prepaid expenses and other current assets, due to related parties, deferred revenue – related party and deferred revenue approximate their fair market value based on the short-term maturity of these instruments. The Company did not identify any assets or liabilities that are required to be presented on the balance sheets at fair value in accordance with the accounting guidance, except as noted below.

The Company's financial instruments consist primarily of marketable securities, accounts receivable, accounts payable, and certain accrued liabilities. Marketable securities are adjusted to fair value each balance sheet date, based on quoted prices; which are considered level 1 inputs (see note 3). The estimated fair value is not necessarily indicative of the amounts the Company would realize in a current market exchange or from future earnings or cash flows. The fair value of marketable securities categorized as Level 1 that are measured on a recurring basis totaled \$2,273 and \$12,436 as of March 31, 2017 and September 30, 2016, respectively.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

ASC Topic 825-10 “Financial Instruments” allows entities to voluntarily choose to measure certain other financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding instruments.

**Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents. The Company had no cash equivalents during the six months ended March 31, 2017 and 2016.

**Concentration of Credit Risk and Revenues**

The Company maintains its cash in financial institutions for which balances are insured up to Federal Deposit Insurance Corporation limits of \$250,000 per account. At times, cash balances may exceed the federally insured limits. However, the Company has not experienced any losses on this balance.

During the six months ended March 31, 2017 and 2016, one customer who is a related party, accounted 86% and 21% of all of the Company’s revenues, respectively. During the six months ended March 31, 2017 and 2016, the Company had nine and one customers which accounted for the remaining revenues during the periods, respectively.

**Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets of \$1,494,433 and \$6,000 at March 31, 2017 and September 30, 2016, respectively, consist primarily of costs paid for future services which will occur within a year. Prepaid expenses include prepayments in cash and equity instruments for consulting, public relations and business advisory services, and accounting fees which are being amortized over the terms of their respective agreements. Included in other current assets are other receivables of \$36,119 and \$0 at March 31, 2017 and September 30, 2016, respectively. The Company collected the other receivables in May 2017.

**Marketable Securities**

Pursuant to ASC 320, Investments – Debt and Equity Securities, marketable securities held by the Company are held for an indefinite period of time and thus are classified as available-for-sale securities. The fair value is based on quoted market prices for the investment as of the balance sheet date. Realized investment gains and losses are included in the statement of operations, as are provisions for other than temporary declines in the market value of available for-sale securities. Unrealized gains and unrealized losses deemed to be temporary are excluded from earnings (losses), net of applicable taxes, as a component of other comprehensive income (loss). Factors considered in judging whether an impairment is other than temporary include the financial condition, business prospects and creditworthiness of the issuer, the length of time that fair value has been less than cost, the relative amount of decline, and the Company’s ability and intent to hold the investment until the fair value recovers. Realized gains and losses and decline in value judged to be other than temporary on available-for-sale securities are included in the statements of operations. The cost of securities sold or disposed is determined on first-in first-out, or FIFO method.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capitalized Software Development Costs**

Software development costs related to the development of the Company's electronic payment platform software, which is developed for internal use, falls under the accounting guidance of ASC Topic 350-40, *Intangibles Goodwill and Other—Internal Use Software*, in which computer software costs are expensed as incurred during the preliminary project stage and capitalization begins in the application development stage once the capitalization criteria are met. Costs associated with post implementation activities are expensed as incurred. Costs capitalized during the application development stage include external direct costs of materials and services consumed in developing or obtaining internal-use software and payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the internal-use computer software. Once the project is substantially complete and ready for its intended use these costs are amortized on a straight-line basis over the technology's estimated useful life of three years. In May 2016, the Company began amortizing its capitalized development costs.

**Impairment of Long-lived Assets**

In accordance with ASC Topic 360, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

**Revenue Recognition**

The Company recognizes revenue when persuasive evidence of a sale arrangement exists, services have been rendered, the sales price is fixed and determinable and collectability is reasonably assured. Revenues consists of fees generated through the electronic processing of payment transactions and related services, and is recognized as revenue during the period the transactions are processed or when the related services are performed. Merchants may be charged for these processing services at a bundled rate based on a percentage of the dollar amount of each transaction and, in some instances, additional fees are charged for each transaction. Merchant customers are generally charged a flat fee per transaction, while others may also be charged miscellaneous fees, including fees for chargebacks or returns, monthly minimums, and other miscellaneous services. Revenues also includes any up-front fees for the work involved in implementing the basic functionality required to provide electronic payment processing services to a customer. Revenue from such implementation fees is recognized over the term of the related service contract. The Company's revenue is comprised of monthly recurring services provided to customers, for whom charges are contracted for over a specified period of time. Payments received from customers that are related to future periods are recorded as deferred revenue until the service is provided.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Stock-Based Compensation**

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment topic of ASC Topic 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The Financial Accounting Standards Board ("FASB") also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the measurement date defined as the earlier of a) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached or b) the date at which the counterparty's performance is complete. The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company records compensation expense based on the fair value of the award at the reporting date. The awards to consultants and other third-parties are then revalued, or the total compensation is recalculated, based on the then current fair value, at each subsequent reporting date.

**Research and Development**

Research and development costs are expensed as incurred.

**Income Taxes**

The Company recognizes deferred tax liabilities and assets based on the temporary differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates in effect for the year in which the differences are expected to affect taxable income. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes consist primarily of timing differences such as stock-based compensation and deferred revenue. A valuation allowance is provided against net deferred tax assets when the Company determines it is more likely than not that it will fail to generate sufficient taxable income to be able to realize the deferred tax assets.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of ASC740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. As of March 31, 2017 and September 30, 2016, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company's 2014 to 2016 tax returns are subject to examination. The Company recognizes interest and penalties related to uncertain income tax positions in other expense. However, no such interest and penalties were recorded during the six months ended March 31, 2017 and 2016.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Loss per Common Share and Common Share Equivalent**

Basic loss per share excludes dilution and is computed by dividing net loss available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted (loss) income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the income of the Company. The Company had no dilutive securities outstanding during the six months ended March 31, 2017 and 2016.

**Foreign Currency Transactions**

The reporting and functional currency of the Company is the U.S. dollar. Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. Transaction gains or losses have not had, and are not expected to have, a material effect on the results of operations of the Company.

**Recently Issued Accounting Standards**

From time to time, the FASB or other standards setting bodies will issue new accounting pronouncements. Updates to the FASB ASC are communicated through issuance of an Accounting Standards Update (“ASU”).

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”). ASU 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. ASU 2014-09 is effective for public entities for annual reporting periods beginning after December 15, 2016 and interim periods within those periods. Early adoption is not permitted. The FASB has approved a one-year deferral of the effective date with the option to early adopt using the original effective date. Entities may use either a full retrospective or a modified retrospective approach to adopt ASU 2014-09. The Company is currently assessing the impact that adopting this new accounting guidance will have on its financial statements and footnote disclosures.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Recently Issued Accounting Standards (continued)**

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern that will require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. In connection with each annual and interim period, management will assess if there is substantial doubt about an entity's ability to continue as a going concern within one year after the issuance date. Substantial doubt exists if it is probable that the entity will be unable to meet its obligations within one year after the issuance date. The new standard defines substantial doubt and provides example indicators. Disclosures will be required if conditions give rise to substantial doubt. However, management will need to assess if its plans will alleviate substantial doubt to determine the specific disclosures. This standard is effective for public entities for annual periods ending after December 15, 2016. Earlier application of this standard is permitted. This standard is not expected to have a material effect on the Company's financial position, results of operations and cash flows.

In January 2016, the FASB issued ASU No 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, Financial Instruments – Overall (Subtopic 825-10). The new guidance is intended to improve the recognition and measurement of financial instruments. This guidance requires that financial assets and financial liabilities must be separately presented by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements. This guidance is effective for fiscal years and interim periods beginning after December 15, 2017. The standard includes a requirement that businesses must report unrealized gains and losses in the fair value of available for sale marketable securities in current period earnings instead of other comprehensive income or loss. The Company expects to adopt this guidance when effective, and does not expect this guidance to have a significant impact on its financial statements.

In March 2016, FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718) ("ASU 2016-09") as part of FASB's simplification initiative focused on improving areas of GAAP for which cost and complexity may be reduced while maintaining or improving the usefulness of information disclosed within the financial statements. ASU 2016-09 focuses on simplification specifically with regard to share-based payment transactions, including income tax consequences, classification of awards as equity or liabilities and classification on the statement of cash flows. The guidance in ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. The Company's adoption did not have a material impact on the Company's consolidated results of operations, financial position and related disclosures.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 3 – MARKETABLE SECURITIES**

The Company classifies its marketable securities as available-for-sale securities, which are carried at their fair value based on the quoted market prices of the securities with unrealized gains and losses, net of deferred income taxes, reported as accumulated other comprehensive income (loss), a separate component of stockholders' equity. Realized gains and losses on available-for-sale securities are included in net earnings in the period earned or incurred. For the six months ended March 31, 2017 and 2016, realized losses from the sale of available-for-sale securities were \$1,693 and \$2,445, respectively.

The following summarizes the carrying value of marketable securities as of March 31, 2017 and September 30, 2016:

	March 31, 2017	September 30, 2016
Historical cost	\$ 1,838	\$ 13,551
Unrealized gain (loss) included in accumulated other comprehensive gain (loss)	435	(1,115)
Balance, marketable securities, at fair value	<u>\$ 2,273</u>	<u>\$ 12,436</u>

**NOTE 4 - RELATED PARTY TRANSACTIONS**

On March 30, 2015, the Company entered into a services contract with Global Humax Cyprus Ltd. ("Cyprus"), a company owned by the Company's chief executive officer. Under the terms of the contract, the Company will provide services to Cyprus for a period of two years from the date of the agreement. Additionally, the Company earns fees from the processing of payment transactions and related services from Cyprus. For the six months ended March 31, 2017 and 2016, aggregate revenues – related party amount to \$11,460 and \$4,000.

During the year ended September 30, 2015, Cyprus paid various general and administrative expenses on behalf of the Company in the amount of \$3,173. These advances are non-interest bearing and are due on demand. At March 31, 2017 and September 30, 2016, the Company owed Cyprus \$3,173 and \$3,173, respectively.

During the year ended September 30, 2015, the Company's Chief Executive Officer advanced \$10 to the Company for working capital purpose. The advance is non-interest bearing and payable on demand. At March 31, 2017 and September 30, 2016, the Company owed its Chief Executive Officer \$10 and \$10, respectively.

For the six months ended March 31, 2017 and 2016, in connection with a written agreement with the director, the Company paid cash compensation to a member of its board of directors in the amount of \$12,900 and \$4,200, respectively.

**NOTE 5 - STOCKHOLDERS' EQUITY**

**Preferred Stock**

The Company has 10,000,000 shares of preferred stock authorized. Preferred stock may be issued in one or more series. The Company's board of directors is authorized to issue the shares of preferred stock in such series and to fix from time to time before issuance thereof the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of such series. No shares of preferred stock have been issued as of March 31, 2017 and September 30, 2016.

**GH CAPITAL, INC.**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**  
**(Unaudited)**

**NOTE 5 - STOCKHOLDERS' EQUITY (continued)**

**Common Stock**

Between October 2016 and March 2017, the Company issued 571,900 of shares of common stock for cash of \$115,258.

Effective August 1, 2016, the Company entered into a twelve month consulting agreement (the "Consulting Agreement") with an investor relations firm for investor relations services. In connection with this consulting agreement, the Company shall compensate the consultant for services rendered 1) cash of \$2,000 per month for the first three months then \$2,500 per month thereafter and 2) Monthly restricted stock for consulting and services fees paid in advance of services each month to consultant will be \$6,000 per month; Such fee will be calculated and valued at the lower of the trailing 5-day volume-weighted average price or the closing price on the last day of each month. On October 1, 2016, the Company issued 40,000 shares of restricted stock to the consultant. The shares were valued at their fair value of \$6,000 using the recent sale price of the common stock on the dates of grant of \$0.15 per common share. During the six months ended March 31, 2017, the Company recognized stock based compensation of \$6,000.

In connection with a consulting agreement, on January 23, 2017, the Company issued 160,000 shares of restricted stock to a consultant for services that covered from November 2016 through February 2017. The shares were valued at their fair value of \$30,400 using the most recent sale price on October 27, 2016 of the common stock on the dates of grant of \$0.19 per common share. Additionally, on March 10, 2017, the Company issued 300,001 shares of restricted stock to the same consultant for services covering from March 2017 through July 2017. The shares were valued at their fair value of \$51,000 using the most recent sale price on March 9, 2017 of the common stock on the dates of grant of \$0.17 per common share. During the six months ended March 31, 2017, the Company recognized stock based compensation of \$30,867, reduced accounts payable of \$12,000 and recorded prepaid expense of \$38,533 to be amortized from April 2017 to July 2017.

In connection with various consulting agreements, on March 3, 2017, the Company issued 8,545,000 shares of restricted stock to eight consultants for services covering from March 2017 through September 2017. The shares were valued at their fair value of \$1,623,550 using the most recent sale price on October 27, 2016 of the common stock on the dates of grant of \$0.19 per common share. During the six months ended March 31, 2017, the Company recognized stock based compensation of \$231,936 and prepaid expense of \$1,391,614 to be amortized over the term of the consulting agreements.

On March 23, 2017, the Company issued 120,000 shares of restricted stock to another consultant for accounting services covering from January 2017 through December 2017. The shares were valued at their fair value of \$24,000 using the most recent sale price on March 21, 2017 of the common stock on the dates of grant of \$0.20 per common share. During the six months ended March 31, 2017, the Company recognized stock based compensation of \$6,000 and prepaid expense of \$18,000 to be amortized from April 2017 to December 2017.

On February 27, 2017, in connection with Director Agreements, the Company issued 15,500,000 shares of restricted stock to a director and CEO of the Company. The 15,500,000 shares of common stock are considered fully vested on the date of grant. The shares were valued at their fair value of \$2,945,000 using the most recent sale price on October 27, 2016 of the common stock on the dates of grant of \$0.19 per common share. During the six months ended March 31, 2017, the Company recognized stock based compensation of \$2,945,000 on these fully vested shares as there were no forfeiture provision in accordance with ASC 718.

**NOTE 7- SUBSEQUENT EVENTS**

In connection with a consulting agreement, in April 2017, the Company has been engaged by a third party to provide services such as development of corporate, capital structures, investor relations strategies and other services to assist on becoming a public company. In exchange for such services the Company shall receive 18,000,000 shares of the third party's restricted stock.

In connection with a software licensing agreement, in May 2017, the Company issued 190,000 shares of restricted stock to a licensor. Per the agreement, the licensor grants to the Company a non-exclusive, non-assignable right and license to operate a certain software in connection with its business of accepting payments and providing payment solutions. The shares were valued at their fair value of \$38,000 using the most recent sale price on March 21, 2017 of the common stock on the dates of grant of \$0.20 per common share.



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

**Cautionary Note Regarding Forward-Looking Information and Factors That May Affect Future Results**

This quarterly report on Form 10-Q contains forward-looking statements regarding our business, financial condition, results of operations and prospects. The Securities and Exchange Commission (the "SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This quarterly report on Form 10-Q and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions regarding future events or performance. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results. Factors that could cause our actual results of operations and financial condition to differ materially are set forth in the "Risk Factors" section of our annual report on Form 10-K for the fiscal year ended September 30, 2016, as filed with the SEC on December 19, 2016.

We caution that these factors could cause our actual results of operations and financial condition to differ materially from those expressed in any forward-looking statements we make and that investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The following discussion should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this quarterly report on Form 10-Q.

**Business Overview**

We were incorporated on May 5, 2014 in the State of Florida. We intend to generate revenue through licensing our technology to third parties in Europe. More specifically, we will focus our sales efforts in Germany, Austria and Spain. At this time, we have no significant assets.

For the six months ended March 31, 2017 and 2016, we generated revenues of \$13,391 and \$19,000, including revenues from a related party of \$11,460 and \$4,000, respectively. For the three months ended March 31, 2017 and 2016, we generated revenues of \$6,730 and \$9,500, including revenues from a related party of \$5,862 and \$2,000, respectively. All of the related party revenues were from Global Humax Cyprus Ltd. ("Cyprus").

Additionally, for the six months ended March 31, 2017 and 2016, net loss amounted to \$3,343,224 and \$40,460, respectively. For the three months ended March 31, 2017 and 2016, net loss amounted to \$3,252,323 and \$27,612, respectively. Since inception, our business activity has focused on the development of our corporate entity, business plan, marketing strategy, contact development, website design and product design, and development of our payment gateway called "ClickDirectPay".

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### **Plan of Operations**

The Company's strategy is to engage as many third party merchants to rely on its payment system. The Company charges each merchant a percentage of revenues, in addition to transaction fees. The Company's President will personally attempt to acquire as many merchants to use the Company's ClickDirectPay application to drive revenues.

### **Critical Accounting Policies and Estimates**

While our significant accounting policies are more fully described in Note 2 to our financial statements, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this management's discussion and analysis.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could be affected by those estimates. Included in these estimates are valuation of marketable securities assumptions used in determining the lives and valuations of long-lived assets, valuation allowances for deferred tax assets and the fair value of our common stock, which from time to time may be issued in exchange for services provided in lieu of cash.

#### **Marketable Securities**

Pursuant to ASC 320, Investments – Debt and Equity Securities, marketable securities held by us are held for an indefinite period of time and thus are classified as available-for-sale securities. The fair value is based on quoted market prices for the investment as of the balance sheet date. Realized investment gains and losses are included in the statement of operations, as are provisions for other than temporary declines in the market value of available for-sale securities. Unrealized gains and unrealized losses deemed to be temporary are excluded from earnings (losses), net of applicable taxes, as a component of other comprehensive income (loss). Factors considered in judging whether an impairment is other than temporary include the financial condition, business prospects and creditworthiness of the issuer, the length of time that fair value has been less than cost, the relative amount of decline, and our ability and intent to hold the investment until the fair value recovers.

#### **Capitalized Software Development Costs**

Software development costs related to the development of our electronic payment platform software, which is developed for internal use, falls under the accounting guidance of ASC Topic 350-40, Intangibles Goodwill and Other—Internal Use Software, in which computer software costs are expensed as incurred during the preliminary project stage and capitalization begins in the application development stage once the capitalization criteria are met. Costs associated with post implementation activities are expensed as incurred. Costs capitalized during the application development stage include external direct costs of materials and services consumed in developing or obtaining internal-use software and payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the internal-use computer software. Once the project is substantially complete and ready for its intended use these costs are amortized on a straight-line basis over the technology's estimated useful life of three years. We have begun to amortize capitalized development costs in May 2016.

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**Impairment of Long-lived Assets**

In accordance with ASC Topic 360, we review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. We recognize an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

**Revenue Recognition**

We recognize revenue when persuasive evidence of a sale arrangement exists, services have been rendered, the sales price is fixed and determinable and collectability is reasonably assured. Revenues consists of fees generated through the electronic processing of payment transactions and related services, and is recognized as revenue during the period the transactions are processed or when the related services are performed. Merchants may be charged for these processing services at a bundled rate based on a percentage of the dollar amount of each transaction and, in some instances, additional fees are charged for each transaction. Merchant customers are generally charged a flat fee per transaction, while others may also be charged miscellaneous fees, including fees for chargebacks or returns, monthly minimums, and other miscellaneous services. Revenues also includes any up-front fees for the work involved in implementing the basic functionality required to provide electronic payment processing services to a customer. Revenue from such implementation fees is recognized over the term of the related service contract. Our revenue is comprised of monthly recurring services provided to customers, for whom charges are contracted for over a specified period of time. Payments received from customers that are related to future periods are recorded as deferred revenue until the service is provided.

**Stock-Based Compensation**

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment topic of ASC Topic 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The Financial Accounting Standards Board ("FASB") also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the "measurement date." The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. We record compensation expense based on the fair value of the award at the reporting date.

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### **Recent Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”). ASU 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. ASU 2014-09 is effective for public entities for annual reporting periods beginning after December 15, 2016 and interim periods within those periods. Early adoption is not permitted. The FASB has approved a one-year deferral of the effective date with the option to early adopt using the original effective date. Entities may use either a full retrospective or a modified retrospective approach to adopt ASU 2014-09. The Company is currently assessing the impact that adopting this new accounting guidance will have on its financial statements and footnote disclosures.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity’s Ability to Continue as a Going Concern that will require management to assess an entity’s ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. In connection with each annual and interim period, management will assess if there is substantial doubt about an entity’s ability to continue as a going concern within one year after the issuance date. Substantial doubt exists if it is probable that the entity will be unable to meet its obligations within one year after the issuance date. The new standard defines substantial doubt and provides example indicators. Disclosures will be required if conditions give rise to substantial doubt. However, management will need to assess if its plans will alleviate substantial doubt to determine the specific disclosures. This standard is effective for public entities for annual periods ending after December 15, 2016. Earlier application of this standard is permitted. This standard is not expected to have a material effect on the Company’s financial position, results of operations and cash flows.

In January 2016, the FASB issued ASU No 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, Financial Instruments – Overall (Subtopic 825-10). The new guidance is intended to improve the recognition and measurement of financial instruments. This guidance requires that financial assets and financial liabilities must be separately presented by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements. This guidance is effective for fiscal years and interim periods beginning after December 15, 2017. The standard includes a requirement that businesses must report unrealized gains and losses in the fair value of available for sale marketable securities in current period earnings instead of other comprehensive income or loss. The Company expects to adopt this guidance when effective, and does not expect this guidance to have a significant impact on its financial statements.

In March 2016, FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718) (“ASU 2016-09”) as part of FASB's simplification initiative focused on improving areas of GAAP for which cost and complexity may be reduced while maintaining or improving the usefulness of information disclosed within the financial statements. ASU 2016-09 focuses on simplification specifically with regard to share-based payment transactions, including income tax consequences, classification of awards as equity or liabilities and classification on the statement of cash flows. The guidance in ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. The Company’s adoption did not have a material impact on the Company’s consolidated results of operations, financial position and related disclosures.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

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### **Results of Operations**

#### ***Revenues***

For the six months ended March 31, 2017 and 2016, we generated revenues of \$13,391 and \$19,000, including revenues from a related party of \$11,460 and \$4,000, respectively. For the three months ended March 31, 2017 and 2016, we generated revenues of \$6,730 and \$9,500, including revenues from a related party of \$5,862 and \$2,000, respectively. Revenues decreased during the six months ended March 31, 2017 due to a decrease in third party revenues of \$13,069 primarily due to a decrease in revenues of \$15,000 generated pursuant to a one year contract and an increase in other third party revenues of \$1,931, offset by an increase in related party revenues of \$7,460. Revenues decreased during the three months ended March 31, 2017 due to a decrease in third party revenues of \$6,632 primarily due to a decrease in revenues of \$7,500 generated pursuant to a one year contract and an increase in other third party revenues of \$868, offset by an increase in related party revenues of \$3,862. The related party revenues are derived from the Gateway Processing Agreement the Company has in place with an affiliate, Global Humax Cyprus Ltd. and other transaction service charges. Our affiliate agreed to pay an initial set up fee for access to ClickDirectPay and will pay a continuing annual fee and transaction processing fees under the terms of this agreement.

#### ***Cost of Revenues***

For the six months ended March 31, 2017, we had \$14,819 in cost of revenues as compared to \$5,769 for the six months ended March 31, 2016, an increase of \$9,050 or 157%. For the three months ended March 31, 2017, we had \$8,289 in cost of revenues as compared to \$2,996 for the three months ended March 31, 2016, an increase of \$5,293 or 177%. Cost of revenues increased primarily due to an increase in hosting and software maintenance fees.

#### ***Operating Expenses***

For the six months ended March 31, 2017, we incurred \$3,340,065 in operating expenses as compared to \$50,572 for the six months ended March 31, 2016, an increase of \$3,289,493 or 6,505%. For the three months ended March 31, 2017, we incurred \$3,252,902 in operating expenses as compared to \$31,693 for the three months ended March 31, 2016, an increase of \$3,221,209 or 10,164%. Operating expenses consisted of the following:

Operating expenses increased primarily due to

- an increase in compensation of \$2,948,387 primarily due to stock based compensation to our director and CEO for \$2,945,000, professional fees of \$319,098 primarily due to an increase in consulting and investor relations services of \$291,303 and accounting fees of \$14,968 due to the hiring of an accounting consultant and increase audit fees of \$13,000, and an increase in fees incurred to become a trading company of \$12,000 offset by a decrease in legal fees of \$6,781, for the six months ended March 31, 2017. An increase in compensation of \$2,946,837 primarily due to stock based compensation to our director and CEO for \$2,945,000, professional fees of \$265,120 primarily due to an increase in consulting and investor relations services of \$266,303 offset by a decrease in legal fees of \$3,150, for the three months ended March 31, 2017, and
- an increase in amortization of development costs of \$7,566 and \$15,133 for the three and six months ended March 31, 2017, respectively, for the which we started to amortize in May 2016.

#### ***Loss from Operations***

For the six months ended March 31, 2017, we incurred a loss from operations of \$3,341,493 as compared to \$37,341 for the six months ended March 31, 2016, an increase of \$3,304,152 or 8,849%. For the three months ended March 31, 2017, we incurred a loss from operations of \$3,254,461 as compared to \$25,189 for the three months ended March 31, 2016, an increase of \$3,229,272 or 12,820%. These increases were resulting from the discussion above.

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### ***Other Expenses***

For the six months ended March 31, 2017, we incurred total other expenses of \$1,731 as compared to \$3,119 for the six months ended March 31, 2016. For the three months ended March 31, 2017, we incurred total other income (expense) of \$2,138 as compared to (\$2,423) for the three months ended March 31, 2016. The decrease in other expenses was related to the recording of a gain (loss) on sale of marketable securities of \$1,874 and (\$1,693) during the three and six months ended March 31, 2017 as compared to (\$2,445) for both comparable periods in fiscal 2016.

### ***Net Loss***

For the six months ended March 31, 2017, we incurred a net loss of \$3,343,224 or \$(0.09) per common share as compared to \$40,460 or \$(0.00) per common share for the six months ended March 31, 2016. For the three months ended March 31, 2017, we incurred a net loss of \$3,252,323 or \$(0.07) per common share as compared to \$27,612 or \$(0.00) per common share for the three months ended March 31, 2016. These increases were resulting from the discussion above.

### ***Unrealized Gain on Available-for-sale Marketable Securities***

For the six months ended March 31, 2017, we incurred an unrealized gain on available-for-sale marketable securities of \$1,550 as compared to \$2,257 for the three months ended March 31, 2016, a decrease of \$707 related to our marketable securities that we invested during fiscal 2016. For the three months ended March 31, 2017, we incurred an unrealized gain (loss) on available-for-sale marketable securities of (\$262) as compared to \$1,646 for the three months ended March 31, 2016, a decrease of \$1,908 related to our marketable securities that we invested during fiscal 2016.

### ***Comprehensive Loss***

For the six months ended March 31, 2017, we incurred a comprehensive loss of \$3,341,674 as compared to \$38,203 for the six months ended March 31, 2016. For the three months ended March 31, 2017, we incurred a comprehensive loss of \$3,252,585 as compared to \$25,966 for the three months ended March 31, 2016. These increases were resulting from the discussion above.

### **Liquidity, Capital Resources, and Off-Balance Sheet Arrangements**

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had working capital of \$1,483,856 and \$18,075 of cash at March 31, 2017 and working capital of \$15,189 and \$34,572 of cash at September 30, 2016.

#### Cash flows for the six months ended March 31, 2017 compared to the six months ended March 31, 2016

Net cash flow used in operating activities was \$141,775 for the six months ended March 31, 2017 as compared to \$25,939 for the six months ended March 31, 2016, an increase of \$107,962.

- Net cash flow used in operating activities for the six months ended March 31, 2017 primarily reflected a net loss of \$3,343,224 and the add-back of non-cash items consisting of stock-based compensation of \$3,225,802, amortization of development costs of \$15,133, and a loss on sale of marketable securities of \$1,693, offset by changes in operating assets and liabilities of \$41,179 primarily related to an increase in prepaid expenses of \$46,285. During the six months ended March 31, 2017, cash used in operating activities primarily consisted of payments of professional fees.
- Net cash flow used in operating activities for the six months ended March 31, 2016 primarily reflected a net loss of \$40,460 and the add-back of non-cash items consisting of stock-based compensation of \$11,612, and changes in operating assets and liabilities primarily consisting of a decrease in prepaid expenses of \$6,525, an increase in accounts payable of \$15,384 and a decrease in deferred revenues of \$15,000.

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Net cash flow provided by investing activities was \$10,020 for the six months ended March 31, 2017 as compared to net cash used in investing activities of \$45,724 for the six months ended March 31, 2016. During the six months ended March 31, 2017, we purchased marketable securities of \$659 offset by the receipt of proceeds from the sale of marketable securities of \$10,679. During the six months ended March 31, 2016, we purchased marketable securities of \$19,162 and incurred capitalized development costs of \$32,174 offset by the receipt of proceeds from the sale of marketable securities of \$5,612.

Net cash provided by financing activities was \$115,258 for the six months ended March 31, 2017 as compared to \$0 for the six months ended March 31, 2016. During the six months ended March 31, 2017, we received proceeds from the sale of common stock of \$115,258.

### **Cash Requirements**

Our management does not believe that our current capital resources will be adequate to continue operating our company and maintaining our business strategy for much more than 12 months. At the date hereof, we have minimal cash at hand. We require additional capital to implement our business and fund our operations.

Between October 2016 and March 2017, the Company issued 571,900 of shares of common stock for cash of \$115,258.

Since inception we have funded our operations primarily through equity financings and we expect that we will continue to fund our operations through the equity and debt financing, either alone or through strategic alliances. Additional funding may not be available on favorable terms, if at all. We intend to continue to fund our business by way of equity or debt financing until natural revenues can support the Company. If we raise additional capital through the issuance of equity or convertible debt securities, the percentage ownership of our company held by existing shareholders will be reduced and those shareholders may experience significant dilution. In addition, new securities may contain certain rights, preferences or privileges that are senior to those of our common stock. We cannot assure you that we will be able to raise the working capital as needed in the future on terms acceptable to us, if at all.

If we are unable to raise capital as needed, we are required to reduce the scope of our business development activities, which could harm our business plans, financial condition and operating results, or cease our operations entirely, in which case, you will lose all of your investment.

### **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our stockholders.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

## ITEM 4. CONTROLS AND PROCEDURES

### *Disclosure controls and procedures*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports, filed 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 chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

As required by the SEC Rules 13a-15(b) and 15d-15(b), we carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses.

To address these material weaknesses, management engaged financial consultants, performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

A material weakness is a deficiency, or a combination of deficiencies, within the meaning of Public Company Accounting Oversight Board ("PCAOB") Audit Standard No. 5, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses which have caused management to conclude that as of September 30, 2016 our internal controls over financial reporting were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act which is applicable to us for the year ended September 30, 2016. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

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2. We do not have sufficient resources in our accounting function, which restricts the Company's ability to gather, analyze and properly review information related to financial reporting in a timely manner. In addition, due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

3. We do not have personnel with sufficient experience with United States generally accepted accounting principles to address complex transactions.

4. We have inadequate controls to ensure that information necessary to properly record transactions is adequately communicated on a timely basis from non-financial personnel to those responsible for financial reporting. Management evaluated the impact of the lack of timely communication between non-financial personnel and financial personnel on our assessment of our reporting controls and procedures and has concluded that the control deficiency represented a material weakness.

5. We have determined that oversight over our external financial reporting and internal control over our financial reporting is ineffective. The Chief Financial Officer has not provided adequate review of the Company's SEC's filings and consolidated financial statements and has not provided adequate supervision and review of the Company's accounting personnel or oversight of the independent registered accounting firm's audit of the Company's consolidated financial statement.

We have taken steps to remediate some of the weaknesses described above, including by engaging a financial reporting advisor with expertise in accounting for complex transactions. We intend to continue to address these weaknesses as resources permit.

### ***Changes in internal control over financial reporting***

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

**ITEM 1A. RISK FACTORS**

Not applicable to smaller reporting companies.

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

Between January 2017 and March 2017, the Company issued an aggregate of 182,400 of shares of common stock for cash of \$34,008.

In connection with a consulting agreement, on January 23, 2017, the Company issued 160,000 shares of restricted stock to the consultant. The shares were valued at their fair value of \$30,400 using the most recent sale price of the common stock on the dates of grant of \$0.19 per common share. On March 10, 2017, the Company issued 300,001 shares of restricted stock to the same consultant. The shares were valued at their fair value of \$51,000 using the recent sale price of the common stock on the dates of grant of \$0.17 per common share.

On February 27, 2017, in connection with Director Agreements, the Company issued 15,500,000 shares of restricted stock to a director and CEO of the Company. The shares were valued at their fair value of \$2,945,000 using the most recent sale price of the common stock on the dates of grant of \$0.19 per common share.

In connection with various consulting agreements, on March 3, 2017, the Company issued 8,545,000 shares of restricted stock to eight consultants. The shares were valued at their fair value of \$1,623,550 using the most recent sale price of the common stock on the dates of grant of \$0.19 per common share.

On March 23, 2017, the Company issued 120,000 shares of restricted stock to a consultant in connection with accounting services. The shares were valued at their fair value of \$24,000 using the most recent sale price of the common stock on the dates of grant of \$0.20 per common share.

The above securities were issued in reliance upon the exemptions provided by Section 4(a)(2) under the Securities Act of 1933, as amended.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

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ITEM 6. EXHIBITS

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002.</a>
32.1*	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002.</a>
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

\* Filed herewith.

**SIGNATURES**

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

**GH CAPITAL, INC.**

Dated: May 22, 2017

By: /s/ Wolfgang Ruecker

Wolfgang Ruecker  
Chief Executive Officer (principal executive officer)

Dated: May 22, 2017

By: /s/ Wolfgang Ruecker

Wolfgang Ruecker  
Chief Financial Officer (principal financial officer and  
principal accounting officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Wolfgang Ruecker, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2017 of GH Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a 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 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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 functions):
  - (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 control over financial reporting.

Date: May 22, 2017

/s/ Wolfgang Ruecker

Wolfgang Ruecker  
Chief Executive Officer (principal executive officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Wolfgang Ruecker, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2017 of GH Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a 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 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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 functions):
  - (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 control over financial reporting.

Date: May 22, 2017

/s/ Wolfgang Ruecker

Wolfgang Ruecker  
Chief Financial Officer (principal financial and accounting officer)

**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of GH Capital, Inc. (the “Company”) for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Wolfgang Ruecker, Chief Executive Officer and 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 to the best of my knowledge:

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 result of operations of the Company.

Date: May 22, 2017

*/s/ Wolfgang Ruecker*

\_\_\_\_\_  
Wolfgang Ruecker

Chief Executive Officer and Chief Financial Officer

(principal executive officer and principal financial Officer)

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement 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.*