ISSUER INFORMATION AND DISCLOSURE STATEMENT PURSUANT TO Rule 15c2-11

ANNUAL REPORT

December 31, 2018

MEDICAL SUPPLY INTERNATIONAL USA, INC.

10-34 44th Drive
Long Island City, New York 11101

Federal ID No.: 83-2330011 CUSIP No.: 58464A 104

ISSUER'S EQUITY SECURITIES
Capital Stock

940,000,000 Shares of Common Stock authorized, par value $0.001 per share

25,505,978 common shares issued and outstanding as of December 31, 2018

INFORMATION AND DISCLOSURE STATEMENT

All information in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The enumerated items and captions contained herein correspond to the format as set forth in that rule.

Forward-looking Statements

This Information and Disclosure Statement contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section21E of the Exchange Act. Forward-looking statements represent the Company's expectations or beliefs concerning future events. The words "believe," "expect," "anticipate," "intend," "estimate," "project" and similar expressions are intended to identify forward-looking statements. The Company cautions these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including and without limitations, the factors described in this Information and Disclosure Statement.

Investors are cautioned not to place undue reliance on such forward-looking statements because they speak only of the Company's views as of the statement dates. Although the Company has attempted to list the important factors that presently affect the Company's business and operating results, the Company further cautions investors other factors may, in the future, prove to be important in affecting the Company's results of operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART A: GENERAL COMPANY INFORMATION

Item I.) The exact Name of Issuer and its predecessor (if any) and the dates of the name changes.

Medical Supply International USA, Inc., a Nevada corporation (hereinafter referred to as the "Company", "we", "us" or "the issuer").

a) Master Spirit International (USA) Inc., March 14, 2001
b) Medical Supply International USA, Inc., by amendment to the Articles of Incorporation dated September 4, 2018

Item II.) The address of the issuers principal executive offices.

10-34 44th Drive
Long Island City, New York 11101
email : General.Counsel@msiusainc.com

IR Contact: Same as Above

Item III.) The State and date of the issuer's incorporation or organization

State of Incorporation:	Nevada
Date of Incorporation:	March 13, 2001

Item IV.) The exact title of securities outstanding

Security Symbol:	MSIU
CUSIP Number:	58464A 104

Classes:	Common Stock
Authorized:	940,000,000
Outstanding:	25,505,978

Classes:	Preferred Stock
Authorized	5,000,000

Classes:	Preferred Series A Stock
Authorized:	1,000,000
Outstanding:	900,000

A. Each holder of Common Stock is entitled to one vote for each share held of record on each matter submitted to vote to stockholders, including election of directors. Stockholders do not have any right to cumulate votes on the election of directors. Each holder of Common Stock is entitled to share ratably in distributions to stockholders and to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available. In the event of the Company's liquidation, dissolution or winding up, the holders of Common Stock will be entitled to receive, after payment of all Company debts and liabilities and of all sums to which holders of any outstanding preferred stock, if any, may be entitled, the distribution of any of the Company's remaining assets. Holders of the Company's Common Stock have no conversion, exchange, sinking fund, redemption or appraisal rights (other than such as may be determined by the Board of Directors in its sole discretion) and have no preemptive rights to subscribe for any of its securities. There are no provisions in the Company's Articles of Incorporation or By-Laws that would delay, defer, or prevent a change of control of the Company.

B. As of December 31, 2018, the Company was authorized to issue 940,000,000 shares of Common Stock. As of December 31, 2018, the Company had 25,505,978 shares of Common Stock issued and outstanding.

1.) Series A Preferred Stock, par value $0.001
CUSIP Number – N/A
Trading Symbol – N/A

(a.) <u>Designation</u>. Convertible Series Preferred Class A Stock.

(b.) <u>Authorized Shares</u>. The number of authorized shares of Preferred Class A Stock shall be 1,000,000 (one million) shares.

(c.) <u>Liquidation Rights</u>. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, after setting apart or paying in full the preferential amounts due to Holders of senior capital stock, if any, the Holders of Preferred Class A Stock and parity capital stock, if any, shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the Holders of junior capital stock, including Common Stock, an amount equal to $.001 per share [the "Liquidation Preference"]. If upon such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to the Holders of the Preferred Class A Stock and parity capital stock, if any, shall be insufficient to permit in full the payment of the Liquidation Preference, then all such assets of the Corporation shall be distributed ratably among the Holders of the Preferred Class A Stock and parity capital stock, if any. Neither the consolidation or merger of the Corporation nor the sale, lease or transfer by the Corporation of all or a part of its assets shall be deemed a liquidation, dissolution or winding up of the Corporation for purposes of this Section (c).

(d.) <u>Dividends</u>. The Preferred Class A Stock is not entitled to receive any dividends in any amount during which such shares are outstanding.

(e.) <u>Conversion Rights</u>. Each share of the Preferred Class A Stock shall be convertible, at the option of the holder, into 50 (fifty) fully paid and non-assessable shares of the Corporation's Common Stock subject to any further reverse splits or other Corporate actions after the date hereof. The foregoing conversion calculation shall be hereinafter referred to as the "Conversion Ration."

(i.) <u>Conversion Procedure</u>. Upon written notice to the Holder, the Holder shall affect conversions by surrendering the certificate(s) representing the Preferred Class A Stock to be converted to the Corporation, together with a form of conversion notice satisfactory to the Corporation, which shall be irrevocable. Not later than five [5] business days after the conversion date, the Corporation will deliver to the Holder, (i) a certificate or certificates, which shall be subject to restrictive legends, representing the number of shares of Common Stock being acquired upon the conversion; provided, however, the Corporation shall not be obligated to issue such certificates until the Preferred Class A Stock is delivered to the Corporation. If the Corporation does not deliver such certificate(s) by the date required under this paragraph (e) (i), the Holder shall be entitled by written notice to the Corporation at any time on or before receipt of such certificate(s), to receive 1 Preferred Class A Stock shares for every week the Corporations fails to deliver Common Stock to the Holder.

(ii.) Adjustments on Stock Splits, Dividends and Distributions. If the Corporation, at any time while any Preferred Class A Stock is outstanding, (a) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock payable in shares of its capital stock [whether payable in shares of its Common Stock or of capital stock of any class], (b) subdivide outstanding shares of Common Stock into a larger number of shares, (c) combine outstanding shares of Common Stock into a smaller number of shares, or issue reclassification of shares of Common Stock for any shares of capital stock of the Corporation, the Conversion Ratio shall be adjusted by multiplying the number of shares of Common Stock issuable by a fraction of which the numerator shall be the number of shares of Common Stock of the Corporation outstanding after such event and of which the denominator shall be the number of shares of Common Stock outstanding before such event. Any adjustment made pursuant to this paragraph (e)(iii) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification. Whenever the Conversion Ratio is adjusted pursuant to this paragraph, the Corporation shall promptly mail to the Holder a notice setting forth the Conversion Ratio after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(iii.) Adjustments on Reclassifications, Consolidations and Mergers. In case of reclassification of the Common Stock, any consolidation or merger of the Corporation with or into another person, the sale or transfer of all or substantially all of the assets of the Corporation or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property, then each Holder of Preferred Class A Stock then outstanding shall have the right thereafter to convert such Preferred Class A Stock only into the shares of stock and other securities and property receivable upon or deemed to be held by Holders of Common Stock following such reclassification, consolidation, merger, sale, transfer or share exchange, and the Holder shall be entitled upon such event to receive such amount of securities or property as the shares of the Common Stock into which such Preferred Class A Stock could have been converted immediately prior to such reclassification, consolidation, merger, sale, transfer or share exchange would have been entitled. The terms of any such consolidation, merger, sale, transfer or share exchange shall include such terms so as to continue to give to the Holder the right to receive the securities or property set forth in this paragraph (e)(iv) upon any conversion following such consolidation, merger, sale, transfer or share exchange. This provision shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers or share exchanges.

(iv.) Fractional Shares; Issuance Expenses. Upon a conversion of Preferred Class A Stock, the Corporation shall not be required to issue stock certificates representing fractions of shares of Common Stock, but shall issue that number of shares of Common Stock rounded to the nearest whole number. The issuance of certificates for shares of Common Stock on conversion of Preferred Class A Stock shall be made without charge to the Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder, and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(f.) Voting Rights. Except as otherwise expressly provided herein or as required by law, the Holders of shares of Preferred Class A Stock shall be entitled to vote on any and all matters considered and voted upon by the Corporation's Common Stock. The Holders of the Preferred Class A Stock shall be entitled to 1,000 (one thousand) votes per share of Preferred Class A Stock.

(g.) Reservation of Shares of Common Stock. The Corporation covenants that it will, at all times, reserve and keep available out of its authorized and unissued Common Stock solely for the purpose of issuance upon conversion of Preferred Class A Stock as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holders of Preferred Class A Stock, such number of shares of Common Stock as shall be issuable upon the conversion of the outstanding Preferred Class A Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to affect the conversion of all outstanding Preferred Class A Stock, the Corporation will take such corporate action necessary to increase its authorized shares of Common Stock to such number as shall be sufficient for such purpose. The Corporation covenants all shares of Common Stock that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid and non-assessable.

The Record Holder of the Series A. Preferred shall have the voting right of 1,000 to 1 per share. The Series A Preferred shall have the conversion right of fifty (50) shares of common shares subject to any further splits or other Corporate action after the date hereof for one share of Preferred Series A.

As of December 31, 2018, the Company was authorized to issue 5,000,000 shares of Preferred Stock of which it has authorized 1,000,000 shares of Series A. Preferred Stock. As of December 31, 2018, the Company had 900,000 shares of series A. Preferred Stock issued and outstanding.

The name and address of the Transfer Agent:

Pacific Stock Transfer
6725 Via Austi Parkway, Suite 300
Las Vegas, Nevada 89119
800-785-7784

Transfer Agent Registered: The transfer agent is registered under the Exchange Act and is regulated by the Securities and Exchange Commission.

List any restrictions on the transfer of security: Of the total outstanding shares, 22,406,371 are Restricted.

Describe any trading suspensions orders issued by the SEC: None

Stock Splits:

October 3, 2018 the Company, by the majority vote of the Preferred Class A stockholders of the common stock, reversed split 1:20 which has been reflected by the Transfer Agent and filed by amendment in the State of Nevada. Convertible Notes issued before October 3, 2018 have been adjusted such that Notes with a .001 common stock conversion ratio have been adjusted to .002. Convertible Notes with a .001 conversion ratio have been adjusted to .02.

Issuance History for Last two years

The Company issued 900,000 shares of Preferred Series A Shares on the 14th day of September 2017.

Item V.) Financial Statements (Unaudited). Attached

The Interim Financial Statements are posted at the end of this report.

Item VI.) The nature of the issuer's business.

The Company was originally incorporated under the laws of Nevada on March 14, 2001 by the name of Master Spirit International (USA), Inc. and changed by majority vote of the Preferred Class A shareholders, to the name Medical Supply International USA, Inc. on September 4, 2018.

The Company went public via Form D on December 3, 2004.

The Company's business consisted of rehabilitation centers and hospitals in the Republic of China.

On August 10, 2017, the District Court for Clark County, Nevada, entered an order appointing a custodian for MSIU.

The Company agreed to acquire E & K Medical Supply, LLC, Sleep On Call Inc., and Balli Medical Equipment on August 2, 2018. These companies sell and service durable medical equipment. Equipment includes, but is not limited to: CPAP's, hospital beds, crutches & walkers, patient lifts, power operated vehicles & wheelchairs, nebulizers, oxygen equipment & accessories. The companies deliver the equipment, perform set up if necessary, and when necessary picks up the equipment when no longer needed by the patient.

In summary:

Medical Supply International USA, Inc. sells and services durable medical equipment.

The Company was organized on March 14, 2001.

The Company's primary SIC Code is 5047.

Fiscal year end, December 31.

Item VIII.) . The name of the chief executive officer, members of the Board of Directors, as well as control persons.

Executive Officers, Directors and Key Personnel

CEO, Director, President, Secretary

Chris Ginas

Mr. Ginas has owned and operated several highly successful financial services businesses. He has held leadership positions with investment banking firms and has launched and operated numerous businesses in the medical and healthcare sector.

Treasurer, Director, Asst. Secretary

Troy Alix

Mr. Alix serves as CEO/CFO of multiple HVAC/Mechanical contracting firms. He is also a director of MSIU and Tristar Acquisition Corp. He has 25 years of experience in the construction/HVAC/Mechanical field and provides valuable financial management, value engineering, critical cost analysis, public relations and strategic marketing.

Additional Board of Director Member

Sean Lanci

Mr. Lanci has worked in the financial services for 20 years. He has had both a Series 7 License and a Series 79 Investment Banking License. He has worked as a private consultant for the last 3 years in over 20 entities, ranging from start-up to Mid Cap, securing financing and assisting with reverse mergers and other professional services.

Patrick Ryan Morris

Mr. Morris is an attorney and the president of an upstream oil and gas company based in Texas. He has 20 years of experience in finance, forensic accounting and serves as the managing member and Chief Operating Officer of an activist fund in New York.

William P. Dollard

Mr. Dollard has been a real estate developer and consultant for thirty years. He is also consultants and has invested in distressed assets and real estate.

Erick Perez

Mr. Perez has worked in the medical sector for over 20 years. He has managed both sleep laboratories and hospital facilities. He is the founder of E&K Medical.

Item IX. Beneficial Owners

Name	Address	Percentage of Class
Round Clock Investments Limited Control Person - Lawrence Ma	19th FL Fung House 20 Connaught Rd Center Hong Kong	16% Common Restricted Shares
Khin Wan Lin	7A Wing Lee Mansion 27 Kimberly Road Tsimsha Tsiu Kowloon, Hong Kong	5% Common Restricted Shares
Richard Che Keung Wong	2B Block 1 Scenic Garden 9 Kotewell Hong Kong	36% Common Restricted Shares
Troy Alix	56 Old Homestead Rd. Port Jefferson, NY 11777	50% Preferred Class A Shares
Christopher Ginas	12 Seaside Dr. Port Jefferson, NY 11777	50% Preferred Class A Shares

A. Legal/Disciplinary History.

A. Conviction in a criminal proceeding or named as a defendant in a criminal proceeding: None.
B. Entry of an order, judgment, or decree, not reversed, suspended or vacated that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or bank activities: None.
C. A finding or judgment by a court (in civil action), the SEC, the Commodity Futures trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law: None.
D. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities:
None.

B. Disclosure of Related Party Transactions.

Transactions with related persons. The following describes any transaction, since the beginning of 2018 in which the Company was or is to be a participant and the amount involved and in which any related person had or will have a direct or indirect material interest. Mike Dobbs - $38,000.00 Convertible Note Dated 8/19/17 Conversion Rate .002 Interest Rate 18%;

NOTE	CONVERTIBLE NOTES	NOTE AMOUNT	NOTE DATE	Interest Rate	Maturity Date	CONVERION RATE / DISCOUNT
1	MIKE DOBBS	$ 22,277.68	8/8/2018	18%	8/8/2019	$ 0.002
2	ANTHONY DOLCE	$ 37,500.00	2/22/2018	18%	2/22/2019	$ 0.002
3	GDO CONTRACTING CORP.	$ 75,000.00	3/14/2018	18%	3/14/2019	$ 0.002
4	CRA OF NEW YORK	$ 22,500.00	8/8/2018	18%	8/8/2019	$ 0.002
5	ERICK PEREZ	$ 660,000.00	8/17/2018	6%	8/17/2019	$ 0.150 See Note #1
6	ARTHUR PALMA	$ 65,000.00	11/15/2018	18%	11/15/2019	$ 0.020
7	MARIANO CASTRO (BILL DOLLARD)	$ 100,000.00	11/15/2018	18%	11/15/2019	$ 0.020
8	ROBERT PALMA	$ 65,000.00	11/15/2018	18%	11/15/2019	$ 0.020
9	BRIAN DOLLARD	$ 65,000.00	12/17/2018	18%	12/17/2019	$ 0.020
10	LINDEN SOUKESIAN	$ 30,000.00	11/13/2018	18%	11/13/2019	80.00%
11	GEORGE D. OCASIO	$ 50,000.00	11/20/2018	18%	11/20/2019	80.00%
12	TROY A. ALIX	$ 53,027.19	12/31/2018	18%	12/31/2019	50.00%
13	BILL DOLLARD	$ 30,000.00	12/31/2018	18%	12/31/2019	50.00%
14	GDO CONTRACTING CORP.	$ 37,281.55	12/31/2018	18%	12/31/2019	50.00%

Note #1 – This Note will expire at the formal Closing.

Note #2 – This Table represents the post-split rates.

Note #3 - % Discount is to Market Share Value at time of Conversion.

C. Disclosure of Conflicts of Interest.

Conflicts of Interest or Potential Conflicts of Interest. The Board of Directors has determined that the following individuals have or may have entered into transactions with the Company or are officers, directors or previous officers and directors of MSIU, E&K Medical, Balli Medical or Sleep on Call, that may have a conflict, potential conflict or perceived conflict of interest. Mike Dobbs

A. Anthony G. Dolce
B. GDO Contracting Corp
C. CRA of New York
D. Erick Perez
E. Arthur Palma
F. Mariano Castro
G. Robert Palma
H. Brian Dollard
I. Linden Soukesian
J. George D. Ocasio
K. Troy A. Alix
L. William P. Dollard
M. Mark Lisser – Consultant
N. David Pinkowitz – Consultant
O. Global Imperium Inc. – Consultant
P. Private Services Group – Consultant
Q. Bridgeview Capital – Consultant
R. Moe Khalid – Consultant

Item XI.) The name of any outside providers that advise the issuer on matters relating to the operations, business development, and disclosure. The information should include the advisor(s) name, address, telephone, and email address.

1.) Investment
Banker: None

2.) Promoters: Placement
Agents Bridgeview
Capital Partners
Michael Dobbs
4202 Overlook Circle
Piermont, NY

3.) Legal Counsel:
Patrick Morris,
Esq.
135 Madison Ave., Suite 7-110
New York, NY 10016

prm@patrickmorrislaw.com

4.) Accounting & Compliance:

J. Don Collier
4842 Sunlit Well Dr.
San Antonio, TX 78247
Don.Collier@msiusainc.com

Item 10.) Certifications.

Officer Certification

I, Christopher Ginas, as President and Director, of MEDICAL SUPPLY INTERNATIONAL USA, INC. certify that:

1. I have reviewed the Unaudited Financial Statements of the Company for the period ended December 31, 2018 and 2017;

2. Based on my knowledge, this disclosure statement 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, and is not misleading with respect to the period covered by this disclosure statement;

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Christopher Ginas

Christopher Ginas, CEO/President/Director
Date: March29, 2019

Medical Supply International USA, Inc.
Consolidated Financials
Balance Sheet
as of:

		December 31, 2018		2017
Balance Sheet				
ASSETS				
Current Assets				
Cash	$	9,089	$	10,394
Accounts receivable - third party		1,762,210		756,999
less: Allowance for Doubtful Accts		(1,055,060)		-
Accounts receivable, net		707,150		756,999
Accounts receivable - other		-		-
Inventory		4,305		29,305
Prepaids		9,772		14,871
Total Current Assets		730,316		811,569
Plant, Property & Equipment				
Buildings & other depreciable assets		493,082		458,206
less: Accumulated depreciation		(465,696)		(407,804)
Plant, Property & Equipment, net		27,386		50,402
Non Current Asset				
Other		8,800		8,800
Total Non Current Asset		8,800		8,800
TOTAL ASSETS	$	766,502	$	870,771
LIABILITIES & EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	$	1,822,000	$	423,540
Accrued payroll & burden		769		106
Accrued taxes		36,780		26,968
Long term debt - current		951,542		110,948
Total Liabilities Current Liabilities		2,811,092		561,562
Non Current Liabilities				
Long term debt - non current		-		116,054
Total Non Current Liabilities		-		116,054
Equity				
Common stock		121,459		121,459
Additional paid in capital		-		-
Preferred stock		900		-
Retained earnings		(2,166,948)		71,696
Total Equity		(2,044,589)		193,155
TOTAL LIABILITIES & EQUITY	$	766,502	$	870,771

Medical Supply International USA, Inc.
Consolidated Income Statement
For:

		12 Months at December 31,	
		2018	**2017**
Consolidated Income Statement			
Revenue/COGS			
Gross sales			
Third party		$ 1,181,058	$ 2,777,276
Intercompany		-	40,110
Total gross sales		1,181,058	2,817,386
less: Cost of Goods Sold		543,408	1,040,830
Gross margin		637,650	1,776,556
Operating expenses			
Operating & maintenance		1,178,587	748,001
Selling expenses		174,162	137,388
General & administrative		360,305	435,107
Bad debt expense		1,055,060	-
Depreciation		17,878	17,878
Total Operating Expenses		2,785,992	1,338,374
Total Operating Income		(2,148,342)	438,182
Non Operating Income & (Expense)			
Interest		(15,893)	(43,342)
Other non operating income		-	-
Other non operating expense		-	-
Net Gain or (Loss) non operating		(73,430)	-
Total Non Operating Income & Expense		(89,323)	(43,342)
Net Income Before Tax		(2,237,665)	394,840
Federal & State Income Tax Expense		-	-
Net Income After Tax		$ (2,237,665)	$ 394,840
Net Income (loss) per Common Share			
Basic	25,505,978 / 510,119,400	-$0.0655338	$0.0007713
Diluted	25,505,978 / 510,119,400	-$0.0655338	$0.0007713

Medical Supply International USA, Inc.
Consolidated Statement of Cashflow
For:

	12 Months at December 31, 2018	2017
Cash flows from Operating Activities		
Net Income (Loss)	$ (2,237,665)	$ 394,840
add: Depreciation and amortization	17,878	17,878
add: Allowance for doubtful accts	1,055,060	
Changes in operating assets and liabilities		
Accounts receivable - third party	(1,005,211)	(756,999)
Accounts receivable - other	-	-
Inventory	25,000	-
Prepaids	5,099	(6,025)
Accounts payable and accrued liabilities	1,398,460	(85,008)
Accrued payroll & burden	663	1,181
Other	(181,389)	6,579
Net cash provided by operating activities	(922,105)	(427,554)
Cash flows from Investing Activities		
Buildings & other depreciable assets	(34,876)	(16,652)
Disposal of Asset	40,014	6,522
Net cash provided by investing activities	5,138	(10,130)
Cash flows from Financing Activities		
Long term debt - borrowings	914,761	199,272
Long term debt - repayments		-
Common stock	-	-
Additional paid in capital	-	-
Preferred stock	900	-
Dividends/disbursements to shareholders	-	248,806
Net cash provided by financing activities	915,661	448,078
Net increase (decrease) in cash and equivalents	(1,306)	10,394
Cash and equivalents - beginning of the year	10,394	-
Cash and equivalents - end of the year	$ 9,089	$ 10,394

Medical Supply International USA, Inc.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)
For the Periods Ended

	Common Stock		Additional Paid - in	Preferred Stock		Retained Earnings		Total Stockholders'
	Shares	Amount	Capital	Shares	Amount	Net Income (Loss)	Distribution	Equity (Deficit)
Balance, December 31, 2017	510,119,400	$ 121,459	$ -	-	$ -	$ 71,696	$ -	$ 193,155
2018 Activity	(484,613,422)			900,000	$ 900	$ (2,237,665)	$ (80)	$ (2,236,844)
Balance, December 31, 2018	25,505,978	$ 121,459	$ -	900,000	$ 900	$ (2,165,969)	$ (80)	$ (2,044,589)

MEDICAL SUPPLY INTERNATIONAL, INC.
Notes to the Unaudited Financial Statements
December 31, 2018 and December 31, 2017

NOTE A – NATURE AND HISTORY OF THE BUSINESS

Organization and Operations: MEDICAL SUPPLY INTERNATIONAL USA, INC., ("MSIU," the "Company") is the amended name of the Master Spirit International (USA) Inc, a Nevada Corporation, formed on March 14, 2001. The company has an order from the Clark County District Court appointing a custodian dated August 10, 2017. On August 2, 2018, MSIU agreed to acquire E & K Medical Supply, LLC, Sleep On Call Inc., and Balli Medical Equipment. These companies sell and service durable medical equipment. This equipment includes, but is not limited to: CPAP's, hospital beds, crutches & walkers, patient lifts, power operated vehicles & wheelchairs, nebulizers, oxygen equipment & accessories. The companies deliver the equipment, perform set up, when required, and then picks up the equipment when no longer needed by the patient.

MSIU's corporate office is located in New York, New York and seeks investors to help increase working capital that will allow the company to increase sales and profitability. The Company, as of June 2006, had no formal operations. An order appointing a custodian was issued August 10, 2017. The sales of medical devices can be a risky endeavor and there is no assurance that any of the Company's future investments, if any, will be successful or profitable.

The Company is traded on the OTC Market under Security Symbol "MSIU."

NOTE B – GOING CONCERN

As shown in the accompanying financial statements, the Company has working capital and formal on-going operations. Management hopes to fund additional future operations through equity investments and other financing arrangements. Efforts may be insufficient to fund working capital and other cash requirements needed to keep the company in operation. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation: These consolidated financial statements have been prepared in conformity with United States generally accepted accounting principles ("GAAP") and include the accounts of E&K Medical LLC, Sleep on Call, Inc. and Balli Medical Equipment. All significant intercompany transactions and balances have been eliminated in the financials statements.

Cash and Cash Equivalents: The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Estimates: The preparation of financial statements in conformity with 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 reporting period. Actual results could differ from those estimates.

Revenue Recognition: Revenue is recognized from the sale of durable medical equipment ("DME") once the product(s) have been shipped and title passed to the customer. Revenue is netted against customer returns that comply with the Company's refund and return policy and based on the contractual prices negotiated in advance with the respective insurance companies. In the event a contractual price is unknown at the time of sale, the Company estimates the contractual write down. Due to working capital requirements, the company had no sales the last six (6) months of 2018.

Accounts Receivable: Accounts receivable consists of amounts due from the sale of DME equipment that has been billed to private pay customers and customers' respective insurance companies, when applicable. Receivables are based on manufacturer suggested retail price unless there is a contractual price(s) by the customers' insurance providers. In Q4 2018, the Company entered into an agreement with Vistec Partners (www.vistecpartners.com) who is now billing on behalf of the Company. Accounts receivable balances at December 31, 2018 and 2017 were $1,762,210 and 756,999 respectively. At December 31, 2018 all accounts receivable was over 120 days past due.

Allowance for Doubtful Accounts: Preparation of consolidated financial statements in conformity with GAAP requires management to make informed estimates and judgements regarding accounts receivable balances. Changes in facts and circumstances or discovery of new information related to such transactions and events may result in revised estimates and judgements and actual results may differ from estimate. In Q4, the company evaluated the age and probably of the receivables' collectability and determined collectability to be at 40.13% of the current balance of accounts receivable. Management believes the estimates and judgements in these consolidated financial statements provide a reasonable basis for the fair presentation of the

Company's allowance. The Company will reassess at the end of Q1 2019 based on collectability during Q1 and determine a fair allowance based on new sales in Q1 2019.

Company contracts with Suppliers: The Company has entered into contracts with several for the purchase and resale of DME to the retail markets. Direct and indirect expenses incurred from product(s) being resold is recognized in cost of goods sold. The Company has predetermined contractual prices based on a sliding scale contingent on volume.

Inventory: Inventory represents consumables that accompany DME and required for normal DME operation. The company maintains a periodic inventory system with adjustments made on a quarterly basis as identified by company policy.

Property and Equipment: Property and equipment is recorded at original costs and depreciated using straight-line method over estimated useful lives ranging from three (3) to ten (10) years at inception. Long-lived assets of the company are evaluated annually for impairment to determine if current circumstances and market conditions indicate carrying amounts may not be recoverable. As of December 31, 2018 and 2017, no impairment was recognized.

Other Assets: At December 31, 2018 and 2017 respectively, the Company has a deposit for the office space at 256 Grant Avenue, Harrison, NJ.

Accounts Payable and Accrued Liabilities: Due to limited operations for the last six (6) months, the company has generated limited cash flow and worked with vendors to settle past due balances. The Company has past due amounts that will be paid by equity raise, potential investors and operating cash flow that should resume in 2019. The company has made settlement arrangements with some of the vendors. Balances at December 31, 2018 and 2017 were $1,822,000 and $423,540 respectively.

Income Taxes: The parent Company is taxed as a C Corporation while the E&K Medical, and Sleep on Call, and Balli Medical are S-Corps. Deferred tax assets and liabilities are recorded on temporary differences between the book and tax basis of assets and liabilities. Management is not aware of any uncertain tax positions that would have a significant impact on its financial position. Federal tax returns for the last four years remain subject to examination. E&K Medical, Sleep on Call and Balli Medical have all filed a federal tax returns for at least the last 2 years. Based on its limited operations, the Company reported no federal tax liability in 2018.

Stock-Based Compensation: Stock-based awards to employees and non-employee directors are recognized pursuant to ASC Topic 718, "Compensation – Stock Compensation." These rules require companies to measure an employees' stock-based aware using the grant-date fair value and recognize this value as compensation expense over the short of the vesting period or the requisite service period. If a stock-based aware is subsequently modified, the excess fair value of the newly modified award is recognized into compensation expense over the remaining requisite service period or vesting period, whichever is shorter. December 31, 2018 and 2017, the Company did not issue any stock for Stock-Based Compensation.

New Accounting Pronouncements: Management is not aware of any new accounting pronouncements that have been released, and are not yet effective, which will have a significant impact to its financial position or results of operations in future periods.

NOTE D – NOTES PAYABLE NOT CONVERTIBLE

None.

NOTE E – CONVERTIBLE NOTES PAYABLE

Convertible notes as of December 31, 2018:

NOTE	CONVERTIBLE NOTES	NOTE AMOUNT	NOTE DATE	Interest Rate	Maturity Date	CONVERION RATE / DISCOUNT
1	MIKE DOBBS	$ 22,277.68	8/8/2018	18%	8/8/2019	$ 0.002
2	ANTHONY DOLCE	$ 37,500.00	2/22/2018	18%	2/22/2019	$ 0.002
3	GDO CONTRACTING CORP.	$ 75,000.00	3/14/2018	18%	3/14/2019	$ 0.002
4	CRA OF NEW YORK	$ 22,500.00	8/8/2018	18%	8/8/2019	$ 0.002
5	ERICK PEREZ	$ 660,000.00	8/17/2018	6%	8/17/2019	$ 0.150 See Note #1
6	ARTHUR PALMA	$ 65,000.00	11/15/2018	18%	11/15/2019	$ 0.020

7	MARIANO CASTRO (BILL DOLLARD)	$	100,000.00	11/15/2018	18%	11/15/2019	$ 0.020
8	ROBERT PALMA	$	65,000.00	11/15/2018	18%	11/15/2019	$ 0.020
9	BRIAN DOLLARD	$	65,000.00	12/17/2018	18%	12/17/2019	$ 0.020
10	LINDEN SOUKESIAN	$	30,000.00	11/13/2018	18%	11/13/2019	80.00%
11	GEORGE D. OCASIO	$	50,000.00	11/20/2018	18%	11/20/2019	80.00%
12	TROY A. ALIX	$	53,027.19	12/31/2018	18%	12/31/2019	50.00%
13	BILL DOLLARD	$	30,000.00	12/31/2018	18%	12/31/2019	50.00%
14	GDO CONTRACTING CORP.	$	37,281.55	12/31/2018	18%	12/31/2019	50.00%

Note #1 – This Note will expire at the formal Closing

Note #2 – This Table represents the post-split rates

Note #3 - % Discount is to Market Share Value at time of Conversion

NOTE F – CAPITAL STOCK

Earnings (Loss) Per Share of Common Stock: Basic and diluted earnings per common share are calculated by dividing earnings by the weighted average number of common shares outstanding during the period. Diluted (loss) per share includes the effects of potentially dilutive securities, including stock options, conversion of convertible debt and conversion of preferred shares.

Common Stock and Reverse Stock Split: The Company has authorized 940,000,000 shares of common stock. The majority of the Preferred A Shareholders authorized a 1:20 reverse stock split. Preferred A stock shareholders conversion ratio to common stock was adjusted to 50 common shares for each Preferred A share. Voting rights were unchanged.

Preferred Stock: The Company has authorized 6,000,000 shares of Preferred stock, as follows:

Preferred Series A, designated 1,000,000 shares at par value $.001, convertible 1 share of preferred stock to 50 share of common stock and voting rights 1 share of convertible preferred equals 1000 shares of common. 900,000 shares were issued or outstanding at December 31, 2018.

NOTE G –

RELATED PARTY TRANSACTIONS

NOTE	CONVERTIBLE NOTES	NOTE AMOUNT		NOTE DATE	Interest Rate	Maturity Date	CONVERION RATE / DISCOUNT
1	MIKE DOBBS	$	22,277.68	8/8/2018	18%	8/8/2019	$ 0.002
2	ANTHONY DOLCE	$	37,500.00	2/22/2018	18%	2/22/2019	$ 0.002
3	GDO CONTRACTING CORP.	$	75,000.00	3/14/2018	18%	3/14/2019	$ 0.002
4	CRA OF NEW YORK	$	22,500.00	8/8/2018	18%	8/8/2019	$ 0.002
5	ERICK PEREZ	$	660,000.00	8/17/2018	6%	8/17/2019	$ 0.150 See Note #1
6	ARTHUR PALMA	$	65,000.00	11/15/2018	18%	11/15/2019	$ 0.020
7	MARIANO CASTRO (BILL DOLLARD)	$	100,000.00	11/15/2018	18%	11/15/2019	$ 0.020
8	ROBERT PALMA	$	65,000.00	11/15/2018	18%	11/15/2019	$ 0.020
9	BRIAN DOLLARD	$	65,000.00	12/17/2018	18%	12/17/2019	$ 0.020
10	LINDEN SOUKESIAN	$	30,000.00	11/13/2018	18%	11/13/2019	80.00%
11	GEORGE D. OCASIO	$	50,000.00	11/20/2018	18%	11/20/2019	80.00%

12	TROY A. ALIX	$	53,027.19	12/31/2018	18%	12/31/2019	50.00%
13	BILL DOLLARD	$	30,000.00	12/31/2018	18%	12/31/2019	50.00%
14	GDO CONTRACTING CORP.	$	37,281.55	12/31/2018	18%	12/31/2019	50.00%

Note #1 – This Note will expire at the formal Closing.

Note #2 – This Table represents the post-split rates.

Note #3 - % Discount is to Market Share Value at time of Conversion.

NOTE H – SUBSEQUENT EVENTS

a. The Board of Directors, with the assistance of outside counsel, is investigating certain matters related to a Convertible Promissory Note issued to M. Dobbs. Currently, the Board intends to exercise certain rights to retire the note during Q2 2019.

b. The Board and Management of MSIU, E&K Medical, Sleep On Call and Balli Medical continue to work in good faith to resolve all outstanding matters related to the acquisition of E&K Medical, Sleep On Call and Balli Medical. Management of MSIU believes that all matters related to the acquisitions will be resolved in Q2 2019.

c. On November 28, 2018, E&K Medical Supply LLC, Balli Medical Equipment LLC, Erick Perez and Kimberly Perez, were named defendants in a case filed by Respironics Inc. On February 28, 2019, counsel for MSIU was notified of the entry of a motion for default judgment. Local counsel in New Jersey has been engaged.

d. Convertible Notes:

As of March 23, 2019

NOTE #	CONVERTIBLE NOTES	NOTE AMOUNT		NOTE DATE	INTEREST RATE	CONVERSION RATE	CONVERSION RATE / DISCOUNT
14	MARK LISSER	$	25,000.00	1/22/2019	18%	50%	50%
15	DONNEL J. HATTER	$	20,000.00	2/22/2019	18%	50%	50%
16	TROY A. ALIX	$	350,551.53	2/25/2019	18%	50%	50%

Note #1 - Percentage discount to Market Share Value at time of Conversion.

e. Promissory Notes Payable

As of March 23, 2019

NOTE #	PROMISSORY NOTES	NOTE AMOUNT		NOTE DATE	INTEREST RATE	MATURITY DATE
1	DEBBIE DOLLARD	$	125,000.00	1/2/2019	8%	5/2/2019
2	GDO CONTRACTING CORP.	$	55,000.00	1/11/2019	8%	5/11/2019
3	ARTHUR / ROBERT PALMA	$	105,000.00	1/16/2019	8%	5/16/2019
4	ESB SMITHTOWN MANAGEMENT	$	50,000.00	1/24/2019	8%	5/24/2019