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**KYN CAPITAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(UNAUDITED)**

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**RESTATED**  
**KYN Capital Group Inc. and Subsidiary**  
**Condensed Consolidated Balance Sheet**  
**As of December 31, 2016 and 2015**  
**(Unaudited)**

|                                                                                                                                                                       | December 31, 2016 | December 31, 2015 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Current Assets:</b>                                                                                                                                                |                   |                   |
| Cash                                                                                                                                                                  | \$ 352            | \$ 60             |
| Prepayment and deposits                                                                                                                                               | 135,000           | -                 |
| <b>Total current assets</b>                                                                                                                                           | <b>135,352</b>    | <b>60</b>         |
| <b>Plant and equipment, net</b>                                                                                                                                       | <b>21,949</b>     | <b>31,789</b>     |
| <b>Total Assets</b>                                                                                                                                                   | <b>\$ 157,301</b> | <b>\$ 31,849</b>  |
| <b>Liabilities:</b>                                                                                                                                                   |                   |                   |
| Accounts payables and accrued expenses                                                                                                                                | \$ 211,404        | \$ 172,063        |
| Accrued interest payable - related party                                                                                                                              | 7,212             | -                 |
| Accrued interest payable                                                                                                                                              | 39,187            | 26,310            |
| Convertible notes                                                                                                                                                     | 307,374           | -                 |
| Note payable - related party                                                                                                                                          | 44,929            | 35,854            |
| Note payable                                                                                                                                                          | 215,500           | 215,000           |
| Contingent liabilities                                                                                                                                                | 43,000            | -                 |
| <b>Total current liabilities</b>                                                                                                                                      | <b>868,606</b>    | <b>449,227</b>    |
| <b>Stockholders' Deficit:</b>                                                                                                                                         |                   |                   |
| Preferred stock, \$.001 par value, 10,000,000 shares authorized, 260,000 shares issued and outstanding as of December 31, 2016 and 2015, respectively                 | 260               | 260               |
| Common stock, \$.001 par value, 190,000,000 shares authorized, 54,011,699 and 47,511,699 shares issued and outstanding as of December 31, 2016 and 2015, respectively | 54,012            | 47,512            |
| Treasury stock                                                                                                                                                        | (3,700)           | (3,700)           |
| Additional paid-in capital                                                                                                                                            | 161,146           | 161,146           |
| Retained (deficit)                                                                                                                                                    | (923,023)         | (622,596)         |
| <b>Total stockholders' deficit</b>                                                                                                                                    | <b>(711,305)</b>  | <b>(417,378)</b>  |
| <b>Total Liabilities and Stockholders' Equity</b>                                                                                                                     | <b>\$ 157,301</b> | <b>\$ 31,849</b>  |

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

**RESTATED**  
**KYN Capital Group Inc. and Subsidiary**  
**Condensed Consolidated Statements of Operations**  
**For the Years Ended December 31, 2016 and 2015**  
**(Unaudited)**

|                                   | For the years ended |                   |
|-----------------------------------|---------------------|-------------------|
|                                   | December 31, 2016   | December 31, 2015 |
| Revenue                           | \$ -                | \$ -              |
| Cost of revenue                   | -                   | -                 |
| Gross profit                      | -                   | -                 |
| <b>Operating expenses:</b>        |                     |                   |
| Automobile expense                | 11,092              | 33,276            |
| Depreciation expense              | 9,839               | 9,082             |
| Consulting fees                   | 88,671              | 137,000           |
| Re-organization expense           | -                   | 60,350            |
| Professional fees                 | 75,000              | 100,000           |
| Legal fees                        | -                   | 11,750            |
| Bank service charges              | 238                 | 335               |
| Rent expense                      | 9,596               | 11,668            |
| Office help                       | 14,400              | 14,400            |
| Office supplies                   | -                   | -                 |
| Executive compensation            |                     |                   |
| Payroll taxes                     |                     |                   |
| Directors compensation            |                     |                   |
| Other expenses                    | 11,810              | 7,478             |
| Stock based compensation          | 6,500               | 128,968           |
| Telephone expense                 | 2,546               | 2,433             |
| Total operating expenses          | 229,692             | 516,740           |
| <b>Operating loss</b>             | (229,692)           | (516,740)         |
| <b>Other expenses:</b>            |                     |                   |
| Interest expense                  | (45,347)            | (26,310)          |
| Contingent loss                   | (25,388)            |                   |
| Total other expenses              | (70,735)            | (26,310)          |
| <b>(Loss) before income tax</b>   | (300,427)           | (543,050)         |
| Income tax expense                | -                   | -                 |
| <b>Net (loss)</b>                 | (300,427)           | (543,050)         |
| Net (loss) per share:             |                     |                   |
| Basic                             | \$ (0.01)           | \$ (0.01)         |
| Weighted average number of shares |                     |                   |
| Basic                             | 51,155,825          | 47,511,699        |

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

**RESTATED**  
**KYN Capital Group Inc. and Subsidiary**  
**Condensed Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2016 and 2015**  
**(Unaudited)**

|                                                                                 | For the years ended |                   |
|---------------------------------------------------------------------------------|---------------------|-------------------|
|                                                                                 | December 31, 2016   | December 31, 2015 |
| <b>Cash flows from operating activities:</b>                                    |                     |                   |
| Net (loss)                                                                      | \$ (300,427)        | \$ (543,050)      |
| Adjustments to reconcile net income to net cash (used in) operating activities: |                     |                   |
| Depreciation                                                                    | 9,839               | 9,082             |
| Stock based compensation                                                        | 6,500               | 128,968           |
| Changes in operating assets and liabilities:                                    |                     |                   |
| Increase in prepayments and deposits                                            | (135,000)           |                   |
| Increase in accrued interest payable - related party                            | 7,212               |                   |
| Increase in accrued interest payable                                            | 12,877              | 26,310            |
| Increase in accounts payable and accrued expenses                               | 39,341              | 118,596           |
| Increase in contingent loss                                                     | 43,000              | -                 |
| <b>Net cash (used in) operating activities</b>                                  | <b>(316,657)</b>    | <b>(260,094)</b>  |
| <b>Cash flows from investing activities:</b>                                    |                     |                   |
| Purchase of property and equipment                                              | -                   | -                 |
| <b>Net cash (used in) investing activities</b>                                  | <b>-</b>            | <b>-</b>          |
| <b>Cash flows from financing activities:</b>                                    |                     |                   |
| Shareholders contribution                                                       | -                   | 13,000            |
| (Payments) to treasury stock                                                    | -                   | (3,700)           |
| Proceeds from note payable - related party                                      | 9,075               | 50,854            |
| Proceeds from note payable                                                      | 307,874             | 200,000           |
| <b>Net cash provided by financing activities</b>                                | <b>316,949</b>      | <b>260,154</b>    |
| <b>Net increase in cash and cash equivalents</b>                                | <b>292</b>          | <b>60</b>         |
| <b>Cash and cash equivalents at the beginning of the quarter</b>                | <b>60</b>           | <b>-</b>          |
| <b>Cash and cash equivalents at the end of the quarter</b>                      | <b>\$ 352</b>       | <b>\$ 60</b>      |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>                                      |                     |                   |
| Cash paid for interest                                                          | \$ -                | \$ -              |
| Cash paid for income taxes                                                      | \$ -                | \$ -              |

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

**RESTATED**  
**KYN Capital Group Inc. and Subsidiary**  
**Condensed Consolidated Statements of Changes in Stockholders' Deficits**  
**For the Years Ended December 31, 2016 and 2015**  
**(Unaudited)**

|                               | Preferred shares |        | Common Stock |           | Treasury Stock | Additional<br>Paid-In Capital | Accumulated<br>Deficits | Total        |
|-------------------------------|------------------|--------|--------------|-----------|----------------|-------------------------------|-------------------------|--------------|
|                               | Shares           | Amount | Shares       | Amount    |                |                               |                         |              |
| Balance at December 31, 2014  | -                | \$ -   | 47,511,699   | \$ 47,512 |                | \$ 19,438                     | \$ (79,546)             | \$ (12,596)  |
| Shareholders contribution     |                  |        | -            | -         |                | 13,000                        | -                       | 13,000       |
| Stock based compensation      | 260,000          | 260    | -            | -         |                | 128,708                       | -                       | 128,968      |
| Treasury stock                |                  |        | -            | -         | (3,700)        |                               | -                       | (3,700)      |
| Net (loss)                    |                  |        | -            | -         |                |                               | (543,050)               | (543,050)    |
| Balances at December 31, 2015 | 260,000          | \$ 260 | 47,511,699   | \$ 47,512 | \$ (3,700)     | \$ 161,146                    | \$ (622,596)            | \$ (417,378) |
| Stock based compensation      |                  |        | 6,500,000    | 6,500     |                |                               | -                       | 6,500        |
| Net (loss)                    |                  |        | -            | -         |                |                               | (300,427)               | (300,427)    |
| Balances at December 31, 2016 | 260,000          | \$ 260 | 54,011,699   | \$ 54,012 | \$ (3,700)     | \$ 161,146                    | \$ (923,023)            | \$ (711,305) |

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

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) under the accrual basis of accounting. All inter-company balances and transactions have been eliminated in consolidation. The Company has adopted a December 31 yearend.

**NOTE 2 – ORGANIZATION AND BUSINESS BACKGROUND**

KYN Capital Group Inc. (the “Company”) was originally incorporated on November 3, 2004 in the State of Nevada under the name of New Taohuayuan Culture Tourism Co. Ltd, which was an investment holding company. The Company was administratively abandoned and reinstated in March 2015 through a court appointed guardian – Custodian. On March 26, 2015, the Company changed its name to KYN Capital Group Inc. to reflect the acquisition of KYN Capital Group Inc., its operating subsidiary organized and exiting under the laws of the State of Wyoming. The Company’s common shares are quoted on the “Pink Sheets” quotation market under the symbol “KYNC”.

In March 2015, the Board of Directors of the Company approved to issue 260,000 control shares of Convertible Series A Preferred Stock to KYN Capital Interests, Inc, for its services in connection with reorganization of the Company and as consideration for the acquisition of the KYN Capital Group, Inc. subsidiary. Such issuance gave KYN Capital Interests, Inc a majority of the then issued and outstanding voting power, or 58.13%, of the Company, resulting in a change in control of the Company. KYN Capital Interests, Inc is also the holder of 47.79% interest of KYN Capital Group Inc., our operating subsidiary organized and exiting under the laws of the State of Wyoming (“KYN SUB”).

On April 9, 2015, the Company entered into a Plan of Exchange with KYN Capital Group Inc., a corporation organized and exiting under the laws of the State of Wyoming (“KYN SUB”), pursuant to which the Company acquired 100% of the Capital Shares of KYN SUB in exchange for an issuance by the Company of 47,500,000 shares of Common Stock to KYN SUB Shareholders, and/or their assigns. The above issuance gave KYN SUB Shareholders and/or their assigns a 'controlling interest' in the Company representing approximately 99.98% of the issued and outstanding shares of the Company’s Common Stock. The Company and KYN SUB were hereby reorganized, such that the Company acquired 100% of the Capital Shares of KYN SUB, and KYN SUB became wholly-owned operating subsidiary of the Company.

The transaction has been accounted for as a reverse acquisition and recapitalization of the Company whereby KYN SUB deemed to be the accounting acquirer (legal acquiree) and the Company to be the accounting acquiree (legal acquirer). The accompanying consolidated financial statements are in substance those of KYN SUB, with the assets and liabilities, and revenues and expenses, of the Company being included effective from the date of stock exchange transaction. The Company is deemed to be a continuation of the business of KYN SUB. Accordingly, the accompanying consolidated financial statements include the following:

- (1) The balance sheet consists of the net assets of the accounting acquirer at historical cost and the net assets of the accounting acquiree at historical cost;
- (2) The financial position, results of operations, and cash flows of the accounting acquirer for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree from the date of stock exchange transaction.

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 2 – ORGANIZATION AND BUSINESS BACKGROUND (CONTINUED)**

KYN Capital Group Inc. a Nevada corporation, and KYN Capital Group Inc. a Wyoming corporation, are hereinafter referred to as the “Company”.

The Company, through its wholly-owned subsidiary, is a Capital-Finance Leasing Company, primarily involved in real estate acquisitions, asset-based lending, and equipment-leasing. The Company specializes in acquiring real estate under market value, and the equity that is available for being taken out as capital to be re-invested into, asset-based lending, and equipment-leasing. The Company provides asset-based loans for companies and individuals that provide adequate, and suitable collateral for a loan. The loan amounts range from a minimum of \$250,000 to a maximum of, \$100 Million+.

**NOTE 3 – GOING CONCERN UNCERTAINTIES**

These financial statements have been prepared assuming that Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

As of December 31, 2016, the Company had an accumulated deficit of \$913,286. Management has taken certain action and continues to implement changes designed to improve the Company’s financial results and operating cash flows. The actions involve certain - growing strategies, including - expansion of the business model into new markets. Management believes that these actions will enable the Company to improve future profitability and cash flow in its continuing operations through December 31, 2017. As a result, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the Company’s ability to continue as a going concern.

**NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Use of estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. These accounts and estimates include, but are not limited to, the valuation of accounts receivables, inventories, income taxes and the estimation on useful lives of property, plant and equipment. Actual results could differ from these estimates.

**Basis of consolidation**

The condensed consolidated financial statements include the accounts of the Company and its subsidiary, KYN Capital Group Inc. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and cash equivalents**

The Company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of December 31, 2016, the Company had no cash or cash equivalent balances in excess of the federally insured amounts, respectively. The Company's policy is to invest excess funds in only well capitalized financial institutions.

**Fixed assets**

Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income.

**Fair value for financial assets and financial liabilities**

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

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

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

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at December 31, 2016 nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the year ended December 31, 2016.

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Stock based compensation**

The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 “*Compensation - Stock Compensation*” (“ASC 718”). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification 505, *Equity Based Payments to Non-Employees*. In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

**Income taxes**

Income taxes are determined in accordance with ASC Topic 740, “*Income Taxes*” (“ASC 740”). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

For the year ended December 31, 2016, the Company did not have any interest and penalties associated with tax positions. As of December 31, 2016, the Company did not have any significant unrecognized uncertain tax positions.

**NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net loss per share**

The Company reports earnings (loss) per share in accordance with FASB Accounting Standards Codification 260 “*Earnings per Share*” (“ASC 260”). This statement requires dual presentation of basic and diluted earnings (loss) with a reconciliation of the numerator and denominator of the earnings (loss) per share computations. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Therefore no diluted loss per share figure is presented. There were no adjustments required to net loss for the periods presented in the computation of basic loss per share.

The Company has not issued any options or warrants or similar securities since inception.

**Related parties**

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

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

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Subsequent events**

The Company adopted FASB Accounting Standards Codification 855 “*Subsequent Events*” (“ASC 855”) to establish general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued.

**NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recently issued accounting standards**

In March 2016, the FASB issued ASU 2016-09, Stock Compensation, which is intended to simplify the accounting for share-based payment award transactions. The new standard will modify several aspects of the accounting and reporting for employee share-based payments and related tax accounting impacts, including the presentation in the statements of operations and cash flows of certain tax benefits or deficiencies and employee tax withholdings, as well as the accounting for award forfeitures over the vesting period. The guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within that year, and will be adopted by the Company in the first quarter of fiscal 2017. The Company anticipates the new standard will result in an increase in the number of shares used in the calculation of diluted earnings per share and will add volatility to the Company’s effective tax rate and income tax expense. The magnitude of such impacts will depend in part on whether significant employee stock option exercises occur.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, Interest—Imputation of Interest (Topic 83530): Simplifying the Presentation of Debt Issuance Costs (“ASU 2015-03”). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs is not affected by ASU 2015-03. ASU 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. The Company has reclassified debt issuance costs from prepaid expenses and other current assets and other assets as a reduction to debt in the condensed consolidated balance sheets.

In July 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory (“ASU 2015-11”), which applies guidance on the subsequent measurement of inventory. ASU 2015-11 states that an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonable predictable costs of completion, disposal and transportation. The guidance excludes inventory measured using last-in, first-out or the retail inventory method. ASU 2015-11 is effective for interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Company is not planning to early adopt ASU 2015-11 and is currently evaluating ASU 2015-11 to determine the potential impact to its condensed consolidated financial statements and related disclosures.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the Company’s financial position, results of operations or cash flows.

**RESTATED**  
**KYN CAPITAL GROUP INC. AND SUBSIDIARY**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 5 – FIXED ASSETS**

The Company had fixed assets of \$21,949 and \$31,789 as of December 31, 2016 and 2015, respectively, consisting of the following:

|                          | December 31, 2016 | December 31, 2015 |
|--------------------------|-------------------|-------------------|
| Furniture and equipment  | \$ 45,412         | \$ 45,412         |
| Accumulated Depreciation | (23,463)          | (13,623)          |
| Net                      | \$ 21,949         | \$ 31,789         |

**NOTE 5 – FIXED ASSETS (CONTINUED)**

The Company had depreciation expenses of \$9,840 and \$9,082 for the years ended December 31, 2016 and 2015, respectively.

**NOTE 6 – NOTES PAYABLE**

As of December 31, 2016, the Company had note payable totaled \$215,500 due to various third parties as follows:

1. \$200,000 due on February 27, 2016 with interest at a rate of 12.99% per annum. The Note was originally entered into by and between the Note Holder and a non-related party of the Company on February 27, 2015 for the purpose of procuring financing for the benefit of, and use by the Company, which was assumed by the Company subsequently. The company has agreed to pay the non-related party 2% to defray the cost of administering the Note. For the year ended December 31, 2016, the Company recorded interest expenses related to this Note in amount of \$28,055. The Note was in default as of the date of this report. The assumption agreement required that if the company was in default for the payment of the 14.99% interest, such interest may be converted into a demand Note at a 10% interest rate. The unpaid interest at December 31, 2015 in the amount of \$25,258 was converted into a note in January 2016. Interest recorded on this Note for the year ending December 2016 was \$2,526
2. \$10,000 due on demand with interest at a rate of 7.65% per annum. For the year ended December 31, 2016, the Company recorded interest expenses related to this Note in amount of \$765. The accrued interest was \$1,447 as of December 31, 2016.
3. \$5,000 due on demand with interest at a rate of 11.50% per annum. For the year ended December 31, 2016, the Company recorded interest expenses related to this Note in amount of \$575. The accrued interest was \$1,054 as of December 31, 2016.

**NOTE 7 – NOTES PAYABLE – RELATED PARTY**

1. As of December 31, 2016, the Company had notes payable to related parties in amount of \$44,929, of which \$42,554 was payable to Clem A Yeboah, President of the Company, \$500 was payable to Kingsley Sackey, Director of the Company and \$875 was payable to Jude Alfonso, Director of the Company. The proceeds from the Notes were for the Company's daily operations including but not limited to, supplies, telephone, staff compensation, rent, website development and others.

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**NOTE 7 – NOTES PAYABLE – RELATED PARTY (CONTINUED)**

2. On January 2, 2016, an amount of \$72,116 in unreimbursed expenses for Clem Yeboah was converted into a Note on basis of which \$7,212 was recognized as interest for the year ending December 31, 2016. The company's employment agreement with Clem Yeboah, the President of the Company, permits that at the end of each year, unreimbursed expenses may be converted into a Note 10% Note. For the year ended December 31, 2015, Clem Yeboah incurred unreimbursed expenses of \$72,116 of unreimbursed expenses all of which was converted on January 2, 2016.

**NOTE 8 – CONVERTIBLE NOTES PAYABLE**

1. On August 2, 2016, the Company entered into a 12% convertible promissory note with an unrelated parties for services rendered in principal amount of \$30,000. The Note bore interest at twelve percent per annum, matured August 2, 2017, and was convertible into common shares of the Company at a conversion price equal to 50% of the average of the lowest 3 closing bid prices within 10 business days prior to "Notice of Conversion". Since there was no trading volume of the Company's common stock and the Note was not able to be readily converted into cash, the Company believed there was no derivative liability related to the Note. For the year ended December 31, 2016, the Company recorded interest expenses related to the Note in amount of \$1,500, which was included in accrued interest payable as of December 31, 2016.
2. On October 2, 2016, the Company entered into two 12% convertible promissory notes with two unrelated parties for services rendered in principal amount of \$60,000 and \$120,000, respectively. Both Notes bore interest at twelve percent per annum, and will mature on October 2, 2017, and will be convertible into common shares of the Company at a conversion price equal to 50% of the average of the lowest 3 closing bid prices within 10 business days prior to "Notice of Conversion". Since there was no trading volume of the Company's common stock and both Notes will not be readily converted into cash, the Company believes there was no derivative liability related to both Notes. For the year ended December 31, 2016, the Company recorded interest expenses related to both Notes totaled \$5,400, which was included in accrued interest payable as of December 31, 2016.

**NOTE 9 – CAPITAL STRUCTURE**

The Company filed an Amendment to Articles of Incorporation to increase its Capital Stock, \$.001 par value, from 60,000,000 shares to 200,000,000 shares, \$.001 par value, including authorized common stock of 190,000,000 shares, \$.001 par value, and authorized preferred stock of 10,000,000 shares, \$.001 par value. Out of the 10,000,000 shares of preferred stock, 260,000 shares were further designated as Convertible Series A Preferred Stock, each share of which has a conversion ratio of 1:100 and is entitled to one hundred vote on any and all matters considered and voted upon by the Corporation's Common Stock, and 3,000,000 shares were further designated as Series B Preferred Stock without conversion and voting right. As of December 31, 2016, the Company had 54,011,699 shares of Common Stock and 260,000 shares of Convertible Series A Preferred Stock issued and outstanding. There was no Series B Preferred Shares issued and outstanding.

**NOTE 10 – STOCK BASED COMPENSATION**

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During the first quarter of 2016, the Company issued 1,750,000 shares of common stock of the Company to three different consultants for professional services rendered. The fair value of this stock issuance was \$1,750 upon mutual agreement between the Company and the Consultants since there was no trading history for the Company's common stock. Accordingly, the Company recognized stock based compensation of \$1,750 to the consolidated statements of operations for year ended December 31, 2016.

During the third quarter of 2016, the Company issued 4,750,000 shares of common stock of the Company to a consultant and his assigns pursuant to a consulting service agreement entered into April 1, 2016. The fair value of this stock issuance was \$4,750 upon mutual agreement between the Company and the Consultants since there was no trading history for the Company's common stock. Accordingly, the Company recognized stock based compensation of \$4,750 to the consolidated statements of operations for the year ended December 31, 2016. The agreement is currently in dispute and the Company is requesting the return of 4,750,000 shares from the Consultant. No settlement was reached as of the date of this report.

**NOTE 11 – NET LOSS PER SHARE**

The following table sets forth the computation of basic net loss per share for the years ended December 31, 2016 and 2015, respectively:

|                                               | December 31, 2016 | December 31, 2015 |
|-----------------------------------------------|-------------------|-------------------|
| Numerator:                                    |                   |                   |
| - Net (loss)                                  | \$ (300,427)      | \$ (543,050)      |
| Denominator:                                  |                   |                   |
| - Weighted average shares outstanding - basic | 51,155,825        | 47,511,699        |
| Net loss per share - basic                    | \$ (0.01)         | (0.01)            |

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

The Company has a month-to-month arrangement for the use of space.

For the years ended December 31, 2016 and 2015, rent expense was \$9,596 and \$11,668, respectively.

**NOTE 13 – CONTINGENT LIABILITIES**

As of December 31, 2016, the Company had contingent liabilities of \$43,000 due to the lawsuits set forth below.

On June 9, 2015, the Company was served with a Summons and Complaint entitled "ATAX New York LLC vs. KYN Capital Group Inc.", pursuant to which ATAX New York LLC, the creditor of the Company, alleged that he was owed \$25,000 by the Company, representing the indebtednesses purchased, plus interest, cost, disbursements and attorney's fees. The Company has been in negotiations with ATAX New York LLC, and has reached an agreement as to repayment schedule.

On July 31, 2015, the Company was served with a Summons and Complaint entitled "Williams Holding Corporation vs. KYN Capital Group Inc.", pursuant to which Williams Holding Corporation, the creditor of the Company, alleged that he was owed \$18,000 by the Company, plus cost, pre-judgement interest and for such other and further relief the Court deems just and proper. The Company has been in

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**NOTE 13 – CONTINGENT LIABILITIES (CONTINUED)**

negotiations with Williams Holding Corporation, but has not yet reached an agreement as to repayment schedule as of the date of this report.

The Company evaluated the potential loss and believed the loss was probable and the amount was estimable. Accordingly, the Company recorded contingent loss of \$25,388 for the year ended December 31, 2016.

**NOTE 14 – SUBSEQUENT EVENTS**

On March 26, 2018, the Company's offering statement on Form 1-A was approved by the Securities and Exchange Commission, pursuant to which 3,000,000,000 shares of common stock were offered to sell at \$0.001 per share. Pursuant to this Regulation A offering, as of February 22, 2018, the Company issued 10,750,000 shares of Common Stock in exchange for cash proceeds of \$10,750. Further, the company converted all of the 260,000 Series A Preferred Stock into 26,000,000 common stock and in addition, converted \$1,019,996.49 of Convertible Notes into 1,019,996,490 of common stock.

On January 31, 2019, the Board of Directors unanimously consented to the cancellation of all Regulation A shares used in paying off Notes owed to Directors/Affiliates. The Company had previously engaged the services of Lotus Law & Hub LLC ("Lotus Law") to review its activities with regards to the Company's Regulation A Offering, which was qualified on March 26, 2018, and any other matters related to the sale of the shares. Lotus Law determined that the proper protocols were not followed in the issuance of the Notes which were later retired with the issuance of Regulation A Shares. Additionally, The Board consented to also cancel cash remuneration to the Officers and Directors that have been accrued in the books. These financials have been restated to reflect the effect of cancellation of such cash remuneration accrued in the books, and all 1,019,996,490 Regulation A shares issued to Directors and affiliates in 2018.

On October 11, 2018, the Company signed a substantive agreement to acquire one hundred percent interest in Algae World Inc. (a Delaware Corporation) and its subsidiaries. Algae World Inc.'s primary business is to grow and market various forms of algae. It is also developing various algae-based products, including food products, biomass fuel, and textile products.

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I, Clem Yeboah, certify that:

1. I have reviewed the RESTATED consolidated Financial Statements for the year ended December 31, 2016 of KYN Capital Group Inc. and subsidiary.
2. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference hereto, 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 hereto.

Date: February 15, 2019

/s/: Clem Yeboah  
Clem Yeboah  
President