

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ENERKON SOLAR INTERNATIONAL, INC.

ADDRESS: 13620 WEYBURN DR
DELRAY BEACH, FL 33446
PHONE: 561-431-7762
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EMAIL: INFO@ENERKONINTERNATIONAL.COM
SIC CODE: 22114 SOLAR ELECTRIC POWER GENERATION

**Annual Report
For the Period Ending: 09/30/2019
(the "Reporting Period")**

As of Fiscal Year Ending 09/30/2019, the number of shares outstanding of our Common Stock was:
65,610,510

As of Quarter Ending 06/30/2019, the number of shares outstanding of our Common Stock was:
65,610,510

As of 09/30/2018, the number of shares outstanding of our Common Stock was:
51,182,510

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

06/13/1986 COMPANY WAS INCORPORATED AS SAN LUIS RESOURCES, INC.

08/15/2001 NAME WAS CHANGED TO CASTLE

10/31/2017 NAME WAS CHANGED TO ENKERKON SOLAR INTERNATIONAL, INC. ON 10/31/2017

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

DATE: JUNE 13, 1986

STATE: NEVADA

STATUS: ACTIVE/GOOD STANDING

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol:	ENKS
Exact title and class of securities outstanding:	COMMON STOCK
CUSIP:	29278K 109
Par or stated value:	\$ 0.0025

Total shares authorized:	200,000,000	as of date: 09/30/2019
Total shares outstanding:	65,610,510	as of date: 09/30/2019
Number of shares in the Public Float ² :	15,112,000	as of date: 09/30/2019
Total number of shareholders of record:	105	as of date: 09/30/2019

Additional class of securities (if any):

Exact title and class of securities outstanding:	CLASS A CONVERTIBLE PREFERRED-NON TRADING
CUSIP:	N/A—NON TRADING
Par or stated value:	\$ 0.01
Total shares authorized:	1,000,000 as of date: 09/30/2019
Total shares outstanding:	522,250 as of date: 09/30/2019

Exact title and class of securities outstanding:	CLASS B PREFERRED-NON TRADING
CUSIP:	N/A—NON TRADING
Par or stated value:	\$ 0.01
Total shares authorized:	100,000 as of date: 09/30/2019
Total shares outstanding:	100,000 as of date: 09/30/2019

Transfer Agent

Name: STANDARD REGISTRAR AND TRANSFER AGENT
Phone: 801-571-8844
Email: INFO@STANDARDREGISTRAR.COM

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of FY 09/30/2017	<u>Opening Balance:</u> Common: <u>51,182,510</u> Preferred A: <u>522,250</u> <u>Preferred B: 100,000</u>		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
<u>10/01/2018</u>	<u>NEW</u>	4,750,000	<u>COMMON</u>	<u>0.0025</u>	<u>YES</u>	STUDEBAKER DIST. CORP— C. DIANE COLLINS	<u>DEBT CONV</u>	<u>UNRESTRICTED</u>	<u>144(a)</u>
<u>10/02/2018</u>	<u>NEW</u>	4,678,000	<u>COMMON</u>	<u>.0025</u>	<u>YES</u>	<u>VASTHY AVILA</u>	<u>DEBT CONV.</u>	<u>UNRESTRICTED</u>	<u>144(a)</u>

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

<u>11/01/2018</u>	<u>NEW</u>	<u>1,000,000</u>	<u>COMMON</u>	<u>0.0025</u>	<u>YES</u>	<u>EXCELSIOR</u> <u>CONSULTING—</u> <u>JEFF GREENE</u>	<u>PROFESSIONAL</u> <u>SERVICES</u>	<u>RESTRICTED</u>	144(a)
<u>11/02/2018</u>	<u>NEW</u>	4,000,000	<u>COMMON</u>	<u>0.0025</u>	<u>YES</u>	<u>STREAMWORX</u> <u>LLC—JON</u> <u>BAKER</u>	<u>MEDIA</u> <u>SERVICES</u>	<u>RESTRICTED</u>	144(a)
Shares Outstanding on <u>09/30/2019</u> :	<u>Ending Balance:</u> Common: <u>65,610,510</u> Preferred A: <u>522,250</u> Preferred B: <u>100,000</u>								

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

The Convertible Note from J. Capello was purchased by Studedbakkers Dist. Corp and Vasthi Avila.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities..

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
11/30/2017	180,000.	180,000.	0.00	11/30/2018	Conversion at 2 Cents Per Share	William E. Fielding not yet converted	Cash Loan for Services
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: **BENJAMIN BALLOUT**
Title: **CFO**
Relationship to Issuer: **CFO**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Changes in Shareholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Attached to This Filing

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company is engaged in the construction of industrial and commercial Solar Power Utility Scale Plants in a Turkey, Mozambique, Egypt, China, and the United States. The Company's work is performed under a cost plus-plus-fee contracts, as well as participation in long term profit sharing or revenue stream participation.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.

Global Star Holdings Limited (incorporated 2006 Hong Kong SAR China);

Global Star Holdings Replaced İnşaat ve Mühendislik Co. ("Mertokon"), founded in 2001, which had completed various projects in Turkey since its inception

- . On February 8, 2018 the Company entered into a share exchange agreement with Enerkon Solar International, Inc. (Incorporated in Florida, September 28, 2016). The Company engages in Utility Scale PV Power Plants and renewable systems, with a particular focus on the Middle East, China, USA and Africa.

- C. Describe the issuers' principal products or services, and their markets

The Company is engaged in the construction of industrial and commercial Solar Power Utility Scale Plants in a Turkey, Mozambique, Egypt, China, and the United States. The Company's work is performed under a cost plus-plus-fee contracts, as well as participation in long term profit sharing or revenue stream participation.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Delray Beach, Florida—The Company leases its US Corporate headquarters in in Delray Beach, Florida, which is approximately 3,000 square feet.

Guangdong Province, China and comprise 3,000 square feet, leased monthly.

Maputo Mozambique are 1,000 square feet representative offices, leased monthly.

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>BENJAMIN BALLLOUT</u>	<u>OFFICER/DIRECTOR</u>	<u>13620 WEYBURN</u> DELRAY BEACH, FL 33446	<u>33,000,000</u>	<u>COMMON</u>	<u>50.3%</u>	_____
<u>BENJAMIN BALLLOUT</u>	<u>OFFICER/DIRECTOR</u>	<u>13620 WEYBURN</u> DELRAY BEACH, FL 33446	<u>522,250</u>	<u>PREFERRED</u> <u>A</u>	<u>100%</u>	_____
<u>BENJAMIN BALLLOUT</u>	<u>OFFICER/DIRECTOR</u>	<u>13620 WEYBURN</u> DELRAY BEACH, FL 33446	<u>100,000</u>	<u>PREFERRED</u> <u>B</u>	<u>100%</u>	_____
_____	_____	_____	_____	_____	_____	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NONE

4. 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 activities.

NONE

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties

thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: ANDREW COLDICUTT
Firm: LAW OFFICE OF ANDREW COLDICUTT, ESQ
Address 1: 1220 ROSECRANS ST, PMB 258
Address 2: SAN DIEGO, CA 920106
Phone: 619-228-4972
Email: ANDREW@COLDICUTTLAW.COM

Accountant or Auditor

Name: INTERNALLY PREPARED BY COMPANY
Firm: N/A
Address 1: _____
Address 2: _____
Phone: 561-431-7762
Email: INFO@ENERKONINTERNATIONAL.COM

Investor Relations Consultant

Name: NONE
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

Name: NONE
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: NONE
Firm: _____
Nature of Services: _____

Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Benjamin Ballout certify that:

1. I have reviewed this Annual Disclosure Statement of Enerkon Solar International, Inc.;
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, not misleading with respect to the period covered by this disclosure statement; and
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.

02-10-20 [Date]

/s/ BENJAMIN BALLOUT CEO

Principal Financial Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Benjamin Ballout certify that:

1. I have reviewed this Annual Disclosure Statement of Enerkon Solar International, Inc.;
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, not misleading with respect to the period covered by this disclosure statement; and
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.

02-10-20 [Date]

/s/ BENJAMIN BALLOUT CFO

ENERKON SOLAR INTERNATIONAL , INC.
BALANCE SHEET
YEAR ENDING 09/30/2019

(Unaudited)

YEAR ENDING
09/30/2019

ASSETS

Current Assets

Cash	35,000,452
Accounts Receivable	-
Inventory	43,992,665
Other Assets	799,865
TOTAL CURRENT ASSETS	79,792,982

FIXED ASSETS

Land	3,277,446
Buildings	2,292,672
Furniture & Equipment	257,266
Computers	109,480
Vehicles	1,365,993
TOTAL FIXED ASSETS	7,302,857

OTHER ASSETS

Deposits	376,000
TOTAL ASSETS	87,471,839

LIABILITIES

Current Liabilities

Accounts payable	832,243
Taxes Payable	805,500
Accrued Employee Payroll Benefits	269,740
Other Current Liabilities	214,742
Notes Payable	-
Deferred Revenue	51,696,019
TOTAL CURRENT LIABILITIES	53,818,244

LONG TERM LIABILITIES

TOTAL LIABILITIES	60,188,150
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STOCKHOLDERS' EQUITY

Common stock, \$0.0025 par value, 200,000,000 authorized, and 65,610,510 shares issued and outstanding	164,026
Class A Convertible Preferred Stock, \$.01 Par Value, Authorized 1,000,000 shares, issued and outstanding shares 522,250	5,223
Class B Preferred Stock, \$.01 Par Value, Authorized 100,000 Shares, shares issued and outstanding 100,000	1,000
Treasury Common Stock, 588,800 @ Cost	(32,620)
Additional Paid in Capital	1,962,730
Retained Earnings	25,183,330
TOTAL STOCKHOLDERS' EQUITY	27,283,689
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	87,471,839

The accompanying notes are an integral part of these financial statements

ENERKON SOLAR INTERNATIONAL , INC.
STATEMENTS OF OPERATIONS
YEAR ENDING 09/30/2019

(Unaudited)

	4TH QRT YTD 07/01/2019-9/30/2019	YEAR ENDING 09/30/2019
REVENUES	35,106,000	76,006,120
LESS COST OF GOODS SOLD	21,605,005	43,752,968
GROSS PROFIT	13,500,995	32,253,152
EXPENSES		
Administrative expenses	314,504	465,006
Salaries & Wages	2,003,060	6,804,311
Rent	50,000	130,042
Professional fees	55,000	95,214
Interest Expense/Bank Fees	25,450	55,450
Repairs & Maintenance	201,755	271,767
Utilities	97,899	179,349
Depreciation Expense	177,888	7,993,299
Taxes	601,299	634,441
Equipment Leases	500,000	1,250,005
Insurance	48,650	108,775
TOTAL EXPENSES	4,075,505	17,987,659
NET (LOSS) INCOME FROM OPERATIONS	9,425,490	14,265,493

The accompanying notes are an integral part of these financial statements

ENERKON SOLAR INTERNATIONAL , INC.
STATEMENTS OF CASH FLOWS
YEAR ENDING 09/30/2019

(Unaudited)	4TH QRT YTD 07/01/2019-9/30/2019	YEAR ENDING 09/30/2019
OPERATING ACTIVITIES		
Net (loss) Income	9,425,490	14,265,493
Adjustment to reconcile net loss to cash used by operations:		
Cash Deposit Advance on Projects		
Stock based compensation, management services		
Amortization/Depreciation/Interest	177,888	7,993,299
Prepaid Expenses/Deposits		
Accounts Receivable/Inventory/Assets	(36,812,473)	(43,937,978)
Accounts Payable/Notes Payable/Other Payables	(47,510,778)	(29,661,824)
Net cash (used) for operating activities	(74,719,873)	(51,341,010)
FINANCING ACTIVITIES/ACQUISITION		
Advances Payable		
Sale of common stock		
Net cash provided by financing activities		
Net increase (decrease) in cash and equivalents	(74,719,873)	(51,341,010)
Cash and equivalents at beginning of the period	109,720,325	86,341,462
Cash and equivalents at end of the period	35,000,452	35,000,452

The accompanying notes are an integral part of these financial statements

ENERKON SOLAR INTERNATIONAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
YEAR ENDING 09/30/2019
(Unaudited)

	Class A Preferred Preferred Stock, \$.01 Par Value		Class B Preferred Stock, \$.01 Par Value		Common Stock \$.0025 Par Value		Treasury Common Stock, \$.0025 Par Value		Additional	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in-Capital	Deficit	Equity
Period Beginning 09/30/2018	522,250	5,223	100,000	1,000	51,182,510	127,956	(588,800)	(32,620)	1,872,730	3,723,717	5,698,007
Issuance of common shares											
Convertible Note 10/01/2018					4,750,000	11,875					11,875
Convertible Note 10/01/2018					4,678,000	11,695					11,695
Consulting Services 11/01/2018					1,000,000	2,500			20,000		22,500
Media Services 11/02/2018					4,000,000	10,000			70,000		80,000
12/31/2018 Net Income(Loss)										2,020,940	
03/31/2019 Net Income(Loss)										2,880,952	
06/30/2019 Net Income(Loss)										7,132,231	
09/30/2019 Net Income(Loss)										9,425,490	
Period Ending 09/30/2019	522,250	5,223	100,000	1,000	65,610,510	164,026	(588,800)	(32,620)	1,962,730	25,183,330	27,283,689

ENERKON SOLAR INTERNATIONAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 09/30/2019

1.COMPANY HISTORY

ORGANIZATION

Enerkon Solar International, Inc. (ENKS) is a holding company which was incorporated in Nevada on June 13, 1986. The original name was San Luis Resources Inc. on the original filings. The name of the Company was changed from San Luis Resources Inc. to Castle Holding Corp. on 08/15/2001. Castle Holding Corp. changed its name to Enerkon Solar International, Inc.(ENKS) on October 31, 2017. The subsidiaries of ENKS are as follows:

Global Star Holdings Limited (incorporated 2006 Hong Kong SAR China);

Global Star Holdings Replaced İnşaat ve Mühendislik Co. (“Mertokon”), founded in 2001, which had completed various projects in Turkey since its inception

On February 8, 2018 the Company entered into a share exchange agreement with Enerkon Solar International, Inc. (Incorporated in Florida, September 28, 2016).

The Company is engaged in the construction of industrial and commercial Solar Power Utility Scale Plants in a Turkey, Mozambique, Egypt, China, and the United States. The Company’s work is performed under a cost plus-plus-fee contracts, as well as participation in long term profit sharing or revenue stream participation.

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING

Interim financial statements—The accompanying unaudited interim financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to rules and regulations of the Securities Exchange Commission (SEC). Accordingly, they do not include all information and footnotes required by Generally Accepted Accounting Principles (GAAP) for Annual Audited Financial Statements. In the opinion of Management, the unaudited financial statements have been prepared in accordance with GAAP, and reflect all adjustments considered necessary for a fair presentation.

Principles of Consolidation—The consolidated financial statements include all the accounts of ENKS and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparations of the Financial Statements in conformity with United States GAAP. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying Notes. Actual result could differ from those estimates.

Cash and Cash Equivalents—The Company considers highly liquid investments with maturity dates of three months or less at the time of purchase. As of 09/30/2019 the Company has \$ 35,000,452. The Company currently has deferred revenue liability of \$ 51,696,019.

Income Tax Revenue Recognition—Revenues from fixed price construction contracts are recognized on the percentage of completion method, measured on the basis of incurred costs to estimated total costs for each contract. This cost to cost method is used because management considers it to be the best available measure of progress on these contracts. Revenues from cost-plus fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost to cost method. Participation in Power Purchase Agreements over long term with Governmental Electricity Ministries or Utilities are calculated on a quarterly and annualized basis according to the agreement on revenue sharing and values are calculated in equivalent values in United States Dollars when paid in local currencies and booked as accounts receivables (long Term) on both its annual value and total value across the life of the contract (usually 25 – 30 Years) and terminated thereafter in the case of BOOT or other revenue sharing models in accordance with GAAP Standard accounting principles.

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to costs to complete long-term contracts. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income

Income Tax Provision—The Company files a consolidated income tax return with its subsidiaries for federal reporting purposes.

Fixed Assets/Other Assets—The Company currently has \$ 7,302,857 of fixed assets and 376,000 Deposit on the Balance Sheet. Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from 3 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Fair Value of Financial Instruments—Pursuant to SFAS No. 107 “Disclosures about Fair Value of Financial Instruments”, the Company is required to estimate the fair value of all financial instruments included on its balance sheet. Year Ending 09/30/2019 instruments consisted of cash and cash equivalents, accounts payable, notes payable, deferred revenue. The Company considers its items in the Financial Statements to approximate their value due to the relatively short period of time between organization of instruments and their expected realization.

3.LIABILITIES /DEBT

The Company as of 09/30/2019 has \$ 53,818,244 in current liabilities, of which includes deferred revenue liability of \$ 51,696,019 and \$ 6,369,906 in Long Term Liabilities.

Related Party Transactions—N/A

Notes Payable—N/A with the exception of Convertible Promissory Note (\$180,000) to William E. Fielding - currently not converted and Mr. Fielding is not a shareholder

4.STOCKHOLDERS EQUITY

The Company as of 09/30/2019 has Common Shares issued and outstanding of 65,610,510 authorized of 200,000,000 with a par value of 0.0025. Class A Convertible Preferred Stock has 522,250 issued and outstanding, authorized of 1,000,000 par value of 0.01. Class B Preferred Stock has 100,000 issued and outstanding and 100,000 authorized. The Company has 588,800 of Treasury Stock, listed at cost (32,620). The Company as of 09/30/2019 has 25,183,330 in Retained Earnings.

5. SUBSEQUENT EVENTS

None