Financial Statements

Lotus Pharmaceuticals, Inc.

(A Developmental Stage Company)

For the Year Ending December 31, 2019

And the Year Ending December 31, 2020

(Unaudited)

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Lotus Pharmaceuticals, Inc.

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(A DEVELOPMENTAL STAGE COMPANY)
BALANCE SHEET
FOR THE YEARS ENDING DECEMBER 31, 2019,
AND DECEMBER 31, 2020
(UNAUDITED)

	31-Dec-19	31-Dec-20
ASSETS		
Current Assets		
Cash and Cash Equivalents	31	1,743
Accounts receivable		1,650
Total Current Assets	31	3,393
Fixed Assets		
Fixed Assets (Net)	0	0
Intellectual Property	0	0
Total Fixed Assets	0	0
Start up Costs Capitalized	8,509	12,553
TOTAL Assets	**$8,540**	**$15,946**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Accounts Payable	0	0
Loans from Shareholders	30,369	37,775
Notes Payable	0	0
Total Current Liabilities	30,369	37,775
Long Term Liabilities	0	0
TOTAL LIABILITIES	30,369	37,775
Stockholder's Equity		
Common Stock, par value $0.001		
(3,000,000,000 Authorized, 2,944,515,543 issued)	2,944,515	2,944,515
Additional Paid-In Capital	(2,944,515)	(2,944,515)
Accumulated Earnings (Deficit)	(21,829)	(21,829)
Total Stockholder's Equity	(21,829)	(21,829)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 8,540**	**$ 15,946**

LOTUS PHARMACEUTICALS, INC.
(A DEVELOPMENTAL STAGE COMPANY)
STATEMENT OF OPERATIONS
FOR THE YEARS ENDING DECEMBER 31, 2019
AND DECEMBER 31, 2020

	1-Jan-19 31-Dec-19	1-Jan-20 31-Dec-20
Revenue	0	0
Operating Expenses	0	0
Net Incone (Loss) from Operations	0	0
Other Income		
Debt Charge Off		
Net Income (Loss) Before Income taxes	0	0
Tax Expense	0	0
Net Income	$ (21,829)	$ -
Basic Gain (Loss) Per Share	-$0.0000078	$0.0000000
Weighted Avg No. of Shares Outstanding	**2,791,068,399**	**2,944,515,543**

LOTUS PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING DECEMBER 31, 2019
and DECEMBER 31, 2020
(UNAUDITED)

	1/1/2019-12/31/2019	01/01/2020 - 12/31/2020
	($)	($)
Cash Flows from Operating Activities	-21,829	0
Cash Used in Operating Activities	0	0
Net Cash Used in Operating Activities	$ (21,829)	$ -
Cash Flows from Financing Activities		
Proceeds from Sale of Debt Securities		
Proceeds from Sale of Equity Securities		
Proceeds from loans from shareholders	30,369	5,716
Net Cash Provided from Financing Activities	$ 30,369	$ 5,716
Cash Flows from Investing Activities	0	0
Net Cash Provided by Investing Activities	$ -	-
Cash Used for Start up Costs	8,509	4,004
Net Increase (Decrease) in Cash	31	1,712
Cash - Beginning of Period	0	31
Cash - End of Period	$ 31	$ 1,743

LOTUS PHARMACEUTICALS, INC
(A DEVELOPMENTAL STAGE COMPANY)
STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE QUARTERS ENDING DECEMBER 31, 2019
AND YEAR ENDING DECEMBER 31, 2020
(UNAUDITED)

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Accumulated deficit
OPEN 10/01/2019	2,944,515,543	$ 2,944,515	$ (2,944,515)	$ -
net income / loss				
shareholder withdrawals				
shareholder contributions				
BALANCE 12/31/2019	2,944,515,543	$ 2,944,515	$ (2,944,515)	$ -
net income / loss				
shareholder withdrawals				
shareholder contributions				
BALANCE 12/31/2020	2,944,515,543	$ 2,944,515	$ (2,944,515)	$ -

Note 1. Organization, History and Business

Lotus Pharmaceuticals, Inc. (the "Company") was incorporated in the State of Nevada on January 28, 2004. The Company is a development stage company, as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, *Development Stage Entities*.

On December 22, 2015, a lawsuit was filed against Lotus Pharmaceuticals, Inc. in the District Court of Clark County, Nevada, entitled "In the Matter of Favored, Inc." under case number A-16-+744110-C by a Shareholder, Barton Hollow, LLC, along with an Application for Appointment of Custodian, after several attempts to locate prior management and reinstate the Company's Nevada charter, which had been revoked.

On November 14, 2016, the District Court of Clark County, Nevada entered an Order Granting Application for Appointment of Barton Hollow, LLC as Custodian of Lotus Pharmaceuticals, Inc. Barton Hollow, LLC (the "Custodian") is an entity controlled by securities attorney Adam S. Tracy, its Managing Member.

On November 16, 2016, by resolution of Barton Hollow, LLC, Custodian caused 60,000,000 restricted common shares and 5,000,000 Series A preferred shares to be issued to Barton Hollow LLC as consideration for Barton Hollow satisfying the outstanding obligations of the Company. The conditions Barton Hollow had to meet to keep the preferred shares were not met, and so the Series A preferred shares were canceled. Accordingly, there are no preferred shares outstanding.

On December 3, 2018, Barton Hollow, LLC sold 60,000,000 restricted common shares to Abigail Thompson.

On February 25, 2019, the Company issued 2,600,000,000 new shares of restricted common stock to Willow Brook Partners, pursuant to Issuance Resolution dated February 28, 2019.

On August 13, 2019, pursuant to a stock purchase agreement, Willow Brook Partners sold 2,600,000,000 shares of restricted common stock of the Company to Legacy Multi Media, Inc.

On August 13, 2019 Phil Bogard was appointed as Company sole director, President, Chief Executive office, Secretary and Treasurer to manage the development of the business. The Company is involved in the music and recording business.

On October 11, 2019, Abigail Thompson sold 60,000,000 shares of restricted common stock to Legacy Multi Media, LLC

On August 21, 2020, Shareholder Georgene Rivers and Legacy Multi Media LLC executed a share transfer agreement in which Rivers exchanged her 250,000,000 shares of unrestricted common stock to Legacy Multi Media LLC's 2,600,000,000 restricted common stock.

On September 27, 2020, Phil Bogard resigned as Company sole director, President, Chief Executive office, Secretary and Treasurer.

On September 27, 2020, Georgene Rivers was elected director, President, Secretary and Treasurer by the Board of Directors.

In management's opinion, all adjustments necessary for a fair statement of the results for the presented periods have been made. All adjustments made were of a normal recurring nature.

Prior to the most recent financial statements filed in November 2019, the last financial statements of the Company that was filed with a regulatory authority were in 2010. See www.otcmarkets.com/stock/LTUS/financials. Those statements dated December 31, 2010 showed assets of $103,184,000 and shareholder equity of $89,023,000. At that time, the Company was located in China and being managed by Chinese officers. Current management has no idea where such assets went under prior management or how they were distributed. The Company has started its financial statements anew, with the exception of the stock register. At this stage, the Company has no assets other than cash.

GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which implies the Company will continue to meet its obligations and continue its operations for the next fiscal year. Currently, the Company has no operating history since the Company was revived in2016, and has incurred net operating losses, and as of December 31, 2020 has a working capital deficit of $34,382. Realization value may be substantially different from carrying values as shown and these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The continuation of Lotus Pharmaceuticals, Inc. as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

Note 2. Summary of Significant Accounting Policies

Accounting

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments consisting of a normal and recurring nature considered necessary for a fair presentation have been included.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses in the reporting period. We regularly evaluate our estimates and assumptions related to the useful life and recoverability of long-lived assets, stock-based compensation, and deferred income tax asset valuation allowances. We base our estimates and assumptions on current facts, historical experience, and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and the actual results, our future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less when acquired, to be cash equivalents.

Policies Revenue Recognition

Revenue is derived from contracts with our consumers. Revenue is recognized in accordance with ASC 605. As such, the Company identifies performance obligations and recognizes revenue over the period through which the Company satisfies these obligations. Any contracts that by nature cannot be broken down by specific performance criteria will recognize revenue on a straight-line basis over the contractual term of period of the contract.

Accounts Receivable

Accounts receivable is reported at the customers' outstanding balances, less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable.

Allowance for Doubtful Accounts

An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired.

Stock Based Compensation

When applicable, the Company will account for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

When applicable. The Company will account for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees." Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

The Company calculates the fair value of option grants and warrant issuances utilizing the Binomial pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant. The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized on a straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

Loss per Share

The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, ″Earnings per Share.″ Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Cash and Cash Equivalents

For purpose of the statements of cash flows, the Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less.

Concentration of Credit Risk

The Company primarily transacts its business with one financial institution. The amount on deposit in that one institution may from time to time exceed the federally insured limit.

Depreciation

Equipment is stated at cost less accumulated depreciation. Major improvements are capitalized while minor replacements, maintenance and repairs are charged to current operations. Depreciation is computed by applying the straight-line method over the estimated useful lives, which are generally three to five years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Business Segments

ASC 280, *"Segment Reporting"* requires use of the *"management approach"* model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has one operating segment as of October 1, 2019 and through December 31, 2020.

Income Taxes

The Company accounts for its income taxes under the provisions of ASC Topic 740, "Income Taxes." The method of accounting for income taxes under ASC 740 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company computes tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses has not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

The Company adopted the provisions of ASC 740-10-50, formerly FIN 48, and "Accounting for Uncertainty in Income Taxes". The Company had no material unrecognized income tax assets or liabilities as of December 31, 2020.

The Company's policy regarding income tax interest and penalties is to expense those items as general and administrative expense but to identify them for tax purposes. During the period from October 1, 2019 to December 31, 2019, and the period ending December 31, 2020, respectively, there were no income tax, or related interest and penalty items in the income statement, or liabilities on the balance sheet. The Company files income tax returns in the U.S. federal jurisdiction and Nevada state jurisdiction. We are not currently involved in any income tax examinations.

Loss Per Common Share

The Company reports net loss per share in accordance with provisions of the FASB. The provisions require dual presentation of basic and diluted loss per share. Basic net loss per share excludes the impact of common stock equivalents. Diluted net loss per share utilizes the average market price per share when applying the treasury stock method in determining common stock equivalents. As of December 31, 2019, and December 31, 2020, there were no dilutive common stock equivalents outstanding.

Fair Value of Financial Instruments

Pursuant to ASC No. 820, "Fair Value Measurements and Disclosures", the Company is required to estimate the fair value of all financial instruments included on its balance sheet as of December 31, 2019 and December 31, 2020. The Company's financial instruments consist of cash, a $1,650 refund due from its bank received in February 2021 and derivative liabilities. The Company considers the carrying value of such amounts in the financial statements to approximate their fair value due to the short-term nature of these financial instruments.

The Company adopted ASC No. 820-10 (ASC 820-10), Fair Value Measurements. ASC 820-10 relates to financial assets and financial liabilities. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (GAAP), and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements and are to be applied prospectively with limited exceptions.

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard is now the single source in GAAP for the definition of fair value, except for the fair value of leased property as defined in SFAS 13. ASC 820-10 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions, about market participant assumptions, that are developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820-10 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates);

and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.)

Derivative Financial Instruments

Fair value accounting requires bifurcation of embedded derivative instruments such as conversion features in convertible debt or equity instruments, and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black-Scholes option-pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes option-pricing model.

Recent Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying and feel July be applicable.

On an interim basis, the Company has a net operating loss carryover of approximately $2,550 available to offset future income for income tax reporting purposes, which will expire in various years through 2032, if not previously utilized. However, the Company's ability to use the carryover net operating loss may be substantially limited or eliminated pursuant to Internal Revenue Code Section 382.

Note 4. Depreciation

Additions and expenditures for improving or rebuilding existing assets that extend the useful life are capitalized. The Company did not own any depreciable assets during the period from inception through December 31, 2020.

Note 5. Related Party Transactions

The Company made a promissory note in favor of Securities Compliance Group, Ltd. as consideration for legal services on August 25, 2016 in the amount of $25,000. That note was sold by Securities Compliance Group, Ltd. to Cynthia Gaffney. In settlement of a lawsuit in which Gaffney alleged that the Company did not properly account for her convertible promissory note as a security, thereby misrepresenting the financial statements, the Company and Gaffney agreed to Gaffney receiving 250,000,000 shares of Company stock in exchange for the promissory note being eliminated.

Note 6. Stockholders' Equity Common Stock

The holders of the Company's common stock are entitled to one vote per share of common stock held. As of December 31, 2020, the Company had 2,944,515,543 shares issued and outstanding, of which 2,681,123,970 are restricted and 263,391,573 are non-restricted.

During the period from January 1, 2019 to December 31, 2020, the Company had the following common stock transactions:

1. 250,000,000 restricted shares issued to Cynthia Gaffney.
2. 2,084 unrestricted shares issued to Hare & Co., FBO Comptroller State of New York
3. 2,600,000,000 restricted shares issued to Willow Brock Partners
4. On October 11, 2019, Abigail Thompson sold 60,000,000 shares of restricted common stock to Legacy Multi Media, LLC
5. On August 21, 2020, Shareholder Georgene Rivers and Legacy Multi Media LLC executed a share transfer agreement in which Rivers exchanged her 250,000,000 shares of unrestricted common stock to Legacy Multi Media LLC's for its 2,600,000,000 restricted common stock.

Each of these issuances was made pursuant to an exemption from registration under Rule 144 of the Securities Act of 1933.

Note 7. Commitments and Contingencies

Commitments:

The Company currently has no long-term commitments as of our balance sheet date.

Contingencies:

None as of our balance sheet date.

Note 8 – Net Income (Loss) Per Share

The following tables set forth the information used to compute basic and diluted net income per share attributable to the Company for the quarter ending December 31, 2019 and the period ending December 31, 2020:

12/31/2019	
Net Income (Loss)	$ (21,829)
Weighted Average common shares outstanding	2,791,068,399
Loss per share	$ (0.0000078)

12/31/2020	
Net Income (Loss)	$ 0
Weighted Average common shares outstanding	$ 2,944,515,543
Loss per share	$ 0

Note 9. Notes Payable

Total Notes Payable	**$ 0**
Less Current Portion	(0)
Long Term Notes Payable	**$ 0**

Note 10. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Currently, the Company has no operating history and has incurred operating losses, and as of September 30, 2019 the Company had a working capital deficit and an accumulated deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management believes that the Company's capital requirements will depend on many factors including the success of the Company's development efforts and its efforts to raise capital. Management also believes the Company needs to raise additional capital for working capital purposes. There is no assurance that such financing will be available in the future. The conditions described above raise substantial doubt about our ability to continue as a going concern. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 11. Subsequent Events

None.