

Universal Solar Technology, Inc and Subsidiaries

Statement of Cash Flows

Period Ending December 31, 2018

(Unaudited)

	Year Ending Total
OPERATING ACTIVITIES	
Net Income	-\$262,536.34
Adjustments reconcile Net Income to Net Cash - operations:	
Loan Payable	-\$5,950.00
Total Adjustments to reconcile Net Income to Net Cash - operations:	-\$5,950.00
Net cash provided by operating activities	-\$268,486.34
FINANCING ACTIVITIES	
Additional Paid-In Capital (Common Stock)	\$81,279.00
Common Stock (\$0.0001 Par Value)	\$821.00
Owner's Contributions	\$159,855.35
Net cash provided by financing activities	\$241,955.35
Net cash increase for period	-\$26,530.99
Cash at beginning of period	\$445.50
Cash at end of period	-\$26,085.49

Universal Solar Technology, Inc and Subsidiaries

Statement of Profit and Loss

Period Ending December 31, 2018

(Unaudited)

	<u>Year Ending 31-Dec-18</u>
Income	
Total Income	
Gross Profit	<u>\$0.00</u>
Expenses	
Advertising & Marketing	\$3,091.00
Ask My Accountant	\$6,000.00
Bank Charges & Fees	\$685.00
Charitable Contributions	\$1,200.00
Contractors	\$70,688.64
Dues & subscriptions	\$4,416.02
Legal & Professional Services	\$3,725.86
Office Supplies & Software	\$2,072.40
Other Business Expenses	\$135,522.04
Postage	\$47.70
Printing Service	\$115.13
Rent & Lease	\$26,200.00
Taxes & Licenses	\$2,025.00
Travel	\$3,555.98
Utilities	\$3,191.57
Total Expenses	<u>\$262,536.34</u>
Net Operating Income	-\$262,536.34
Net Income	-\$262,536.34

Universal Solar Technology, Inc and Subsidiaries

Statement of Balance Sheet

Period Ending December 31, 2018

(Unaudited)

Year Ending
31-Dec-18

ASSETS

Current Assets

Bank Accounts

Checking

-\$26,085.49

Total Bank Accounts

-\$26,085.49

Other Current Assets

Receivables

\$22,352,877.33

Total Other Current Assets

\$22,352,877.33

Total Current Assets

\$22,326,791.84

Fixed Assets

Fixed Asset Furniture

\$27,871.34

Total Fixed Assets

\$27,871.34

TOTAL ASSETS

\$22,354,663.18

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

Loan Payable

\$19,050.00

Promissory Note

\$25,000.00

Total Other Current Liabilities

\$44,050.00

Total Current Liabilities

\$44,050.00

Long-Term Liabilities

Notes Payable

-\$25,000.00

Total Long-Term Liabilities

-\$25,000.00

Total Liabilities

\$19,050.00

Equity

Additional Paid-In Capital (Common Stock)

\$81,279.00

Common Stock (\$0.0001 Par Value)

\$3,081.00

Opening Balance Equity

\$22,197,377.33

Owner's Contributions

\$561,935.45

Owner's Equity

-\$2,260.00

Retained Earnings

-\$243,263.26

Net Income

-\$262,536.34

Total Equity

\$22,335,613.18

TOTAL LIABILITIES AND EQUITY

\$22,354,663.18

UNIVERSAL SOLAR TECHNOLOGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDING DECEMBER 31, 2018
(Unaudited)

Business Description and Significant Accounting Policies

Universal Solar Technology, Inc. (the "Company") was incorporated in the State of Nevada on July 24, 2007. The company was purchased on January of 2017 by The Arminda Group, L.L.C. a Texas Corporation.

Basis of presentation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All significant inter-company accounts and transactions have been eliminated. These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

Currency translation

All currency is stated in US Dollars.

Going concern

The underlying assumption for a Going Concern is that a **company** or other entity will be able to continue operating for a period of time that is sufficient to carry out its commitments, obligations and objectives. The Company was purchased in January 2017 by The Arminda Group L.L.C., a Texas Corporation. Under the new management team, and the securing of strategic partnerships the Company is executing the new business plan and making adjustments as warranted to achieve target results.

Uses of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 net revenue and expenses during each reporting period. Actual results could differ from those estimates.

Prepaid Expenses and Other Current Assets

The company procured \$22.3 Million in receivables. The plan was to work on collections with a company that specializes in collections. It was determined that the effort would not yield the level of returns required to justify the effort. The company will begin a "write down" of these assets in the third (3rd) quarter.

Due to Related Parties /Loan Payable

The amounts in this category have been adjusted as the capital paid in by the principle has been reclassified to owner's contribution. The \$19,050.00 in "Loan Payable" is a reimbursement balance due against a loan taken out by the company. The original balance of the loan was \$25K. Previous amounts that reflected in "Due Related Parties" was moved to "Owner's Contribution". The current 'Owner's

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Contribution sum includes the original loan amount of \$150,000 from Chairman and CEO, Paul D. Landrew

Major Customers

The company has established customer relationships through our strategic partnerships. Our target are those who are currently active and not yet active in the renewable energy and environmentally accountable industries.

Income Taxes

No income taxes have been paid by the company.

Commitments and Contingencies

The company has a \$25,000.00 convertible note with The Arminda Group, LLC. The balance on the note is \$20K as \$5K in Stock was converted at par value.

Subsequent Events

The Company has evaluated subsequent events through the date of these financial statements were issued and determined that there were no subsequent events to recognize or disclose in these financial statements.

Forward Looking Statements

This Annual Report for the period ending December 31, 2018 contains “forward-looking statements” within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, including statements that include the words “believes,” “expects,” “anticipates,” or similar expressions. These forward-looking statements include, among others, statements concerning our expectations regarding our working capital requirements, financing requirements, business, growth prospects, competition and results of operations, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts.

The forward-looking statements in this Annual Report involve known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements to differ materially from those expressed in or implied by the forward-looking statements contained herein.

Overview of Our Business

The Company has established strategic relationships where the development of products and services are the foundation of future revenue projections. Any acquisition pursued by the company will be additive to our planned development of products and services targeted towards environmentally friendly products and services including solar energy, wind and renewables. As we expand the footprint in this critical industry, we will continue to pursue other related mergers, acquisitions and strategic partnerships that would further enhance shareholder value.

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Overview of Properties, Plant and Equipment

Our current business model does not require extensive equipment such as would be required for manufacturing. Basic office equipment is the extent of our machine and equipment needs. Our current operating space is in a 3000-square foot office space in Houston, Texas.

Critical Accounting Policies

There were no changes to critical accounting policies and the use of estimates.

Operation

The fundamentals of our operation is the development of products and services that will impact the renewable energy sector and provide expanded access to the products and services and associated benefits of being environmentally accountable to a broader base of the population.

Results of Operations

Revenues

The Company has not generated revenues based on product sales. We continue to work on the invested capital of our management and the “sweat” equity of our core team.

Cost of Sales

The company has elected to maintain a steady schedule of operations. This has required us to incur costs as a part of maintaining presence in the sector.

Gross Profit (Loss)

The Company has not generated a profit.

General and Administrative Expenses

All expenses related to G&A are associated with maintaining our operation as we complete the readiness of anticipated products and services

Marketing expenses

We have worked to enhance our strategic branding activity with logo and web design and upkeep. Our marketing efforts will increase as we launch a more frequent schedule of press releases.

Interest expenses

The interest payment was associated with the Convertible Promissory Note for \$25,000.00

UNIVERSAL SOLAR TECHNOLOGY, INC. AND SUBSIDIARIES

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Liquidity and Capital Resources

To launch the business after purchase, \$150,000.00 was loaned by Paul D. Landrew, Chairman and CEO. Since the company started operations, the additional funds required to sustain operations has been provided through "Owner Contribution". As the company repositions itself in the renewable energy and environmentally accountable sectors, we are working to ensure we are sufficiently capitalized by using all avenues available to us in making sure that we are profitable even from the first deal.

Future Cash Requirements

As it relates to fundamental capital needs going forward, the Company's cash requirements can be divided into two categories.

- Capital demand in daily operations.
 - This includes costs associated with being a public company, including legal fees, audit/review fees and other professional fees; and costs incurred by the Company's operating subsidiary, including wages, utilities and other operating costs.
 - The Company expects its cash requirements under this category to be approximately \$25,000.00 per month.

- Capital demand for the acquiring and partnering with other companies.
 - The future cash requirements are dependent on the nature of the opportunities that we discover. Our goal is to put together a line of credit initially of at least \$7 million dollars. This will allow us the opportunity to diversify as it relates to investments. We are working to position ourselves to minimize risk caused by being too narrow in our scope. At the same time, we want to avoid over extending ourselves into areas that may stretch us too far or be totally outside our primary areas of expertise.

Off-Balance Sheet Arrangements

There are no financial guarantees or other commitments to guarantee the payment obligations of any other parties. There were no off-balance sheet arrangements that would be reasonably likely to have a current or future effect on the Company's financial condition, operating results and cash flows.

Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

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Evaluation of Disclosure Controls and Procedures

As we continue to develop and implement our revised business plan, we will ensure the involvement of our Executive Management team to ensure the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by each report going forward.

Our business model will assure adequate expertise regarding U.S. GAAP among our management personnel, the proper staff relationship with outside accounting and audit firms and the appropriate internal structures to assure proper checks and balances.

Changes in Internal Control over Financial Reporting

“The Company’s management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the Company’s internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, during the fiscal quarter covered by this report, and they have concluded that there was no change to the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.”

CEO Certifications

The CEO CERTIFICATIONS as it relates to the Year ending December 31, 2018, pertain to the financial actions taken in order to bring the Company back to proper fiscal order. I, Paul D. Landrew, certify that the numbers accurately reflect the activity of the period for which they are reported.

Limitations on the Effectiveness of Controls

The inherent limitations of the control systems, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives are being met. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error

or mistake. Control systems can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

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OTHER INFORMATION

Legal Proceedings.

As of this Year ending December 31, 2018, there is no pending litigation made against Universal Solar Technology, Inc. In the ordinary conduct of our business, we are subject to periodic lawsuits, investigations and claims, including, but not limited to, routine employment matters.

Risk Factors.

There have been no material changes from risk factors as previously disclosed in our annual report for period ending December 31, 2018.

Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Defaults upon Senior Securities.

None.

Safety Disclosures.

Not applicable.

Other Information.

None.

April 15, 2018

By: /s/ Paul D. Landrew
Paul D. Landrew
Chairman / CEO