

Lotus Pharmaceuticals, Inc.

127 Leafy Twig
Irvine, CA 92618
(949) 591-3688
936786102@qq.com

Annual Report

For the period ending December 31, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

2,644,515,543 as of December 31, 2025 (Current Reporting Period)

2,644,515,543 as of December 31, 2025 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "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 and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Lotus Pharmaceuticals, Inc. December 7, 2006 to Present.
S.E. Asia Trading, Inc – January 28, 2004 to Until December 7, 2006

Current State and Date of Incorporation or Registration: Nevada

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years: N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception: None.

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

On March 31, 2025, the Company entered into a Purchase Agreement with Ms. Ling Du and Mr. Yinxuan Huang to acquire 100% of the equity of Lore Pharmaceutical Co. Ltd. for a purchase price of USD \$10.00.

Address of the issuer's principal executive office: 127 Leafy Twig, Irvine, CA 92618.

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

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

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Legacy Stock Transfer
Phone: (972) 612-4120
Email: jason@legacystocktransfer.com
Address: 16801 Addison Road, Suite 247, Addison, TX 75001

Publicly Quoted or Traded Securities:

Trading symbol:	<u>LTUS</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>545715 203</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>3,000,000,000</u>	<u>as of date: December 31, 2025</u>
Total shares outstanding:	<u>2,644,515,543</u>	<u>as of date: December 31, 2025</u>
Total number of shareholders of record:	<u>48</u>	<u>as of date: December 31, 2025</u>

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

Exact title and class of the security:	<u>Series A Preferred Stock</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>10,000,000</u>	<u>as of date: December 31, 2025</u>
Total shares outstanding (if applicable):	<u>0</u>	<u>as of date: December 31, 2025</u>
Total number of shareholders of record	<u>0</u>	<u>as of date: December 31, 2025</u>

Security Description:

1. For common equity, describe any dividend, voting and preemption rights.

One vote per share no other rights and/or privileges.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Below is a description of material rights of the Series A Preferred Stock and is subject to the complete Certificate of Designation for the Series A Preferred Stock.

Dividend

To the full extent of the assets and funds of the Corporation lawfully available therefor, the Board of Directors shall declare, and the Corporation shall pay to the holders of shares of Series A Preferred Stock, as to each share, mandatory dividends at an annual rate of 8.00%, compounded annually (such rate, the "Dividend Rate") of the sum of (i) \$0.87 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares)(such amount, as so adjusted from time to time, the "Series A Original Issue Price") plus (ii) an amount equal to any dividend that has accumulated through such date on a share of Series A Preferred Stock has not paid in full (the amount of such unpaid dividends, an "Arrearage") that are payable in respect of such share, whether or not such dividends are declared, payment of which shall be made in additional shares of Series A Preferred Stock.

Voting

The holders of Series A Preferred Stock shall have the same voting rights as the holders of Common Stock. Holders of Common Stock and the Series A Preferred Stock shall vote together as a single class on all matters; provided, holders of Series A Preferred Stock shall not be entitled to vote for directors.

Conversion

Each share of Series A Preferred Stock is convertible into one share of Common Stock. No holder is entitled to convert any or all of the shares of Series A Preferred Stock held by such holder if and to the extent that such conversion would cause such holder to be a beneficial owner of more than four and ninety-nine-hundredths percent (4.99%) of the Common Stock, as determined under Rule 13d-1(a) under the Securities Exchange Act of 1934, as amended; provided, that the preceding proviso may be waived by such holder (or any designee thereof) with a 61-days advance written notice to the Company and, if applicable, the transfer agent.

Liquidation rights

In the event of any liquidation, dissolution, or winding up of the affairs of the Company, whether voluntary or involuntary (a "Liquidation"), each holder of the Series A Preferred Stock then outstanding shall be entitled to receive out of the assets of the Company legally available for distribution to its shareholders (whether representing capital or surplus), before any payment or distribution shall be made on the Common Stock or any capital stock of the Company ranking junior to the Series A Preferred Stock as to the payment of dividends or the

distribution of assets, an amount equal to the Series A Original Issue Price (as adjusted for stock splits, stock dividends, reclassification and the like) for each share of Series A Preferred Stock then held by them, plus any Arrearages. If, upon any Liquidation of the Company, the assets of the Company, or the proceeds of those assets, available for distribution shall be insufficient to pay in full the amount of the Liquidation Preference, then all of the assets available shall be distributed among the holders of the Series A Preferred Stock. After the payment in full of the Liquidation Preference has been made to the holders of the Series A Preferred Stock, if assets remain in the Company, the holders of the Common Stock of the Company (assuming conversion of all shares of Series A Preferred Stock) shall receive all of the remaining assets of the Company which shall be distributed ratably among such holders in proportion to their respective number of issued and outstanding shares of Common Stock then held.

3. Describe any other material rights of common or preferred stockholders.

Material rights of Series A Preferred Stock are described in Section 2. above and subject to the Certificate of Designation for the Series A Preferred Stock.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None.

3) Issuance History

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> : Date <u>January 1, 2024</u> Common Stock: <u>2,694,515,543</u> Preferred Stock: <u>0</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. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
12/11/2024	Returned to treasury	50,000,000	Common Stock	n/a	n/a	Georgene Rivers	n/a	n/a	n/a
Shares Outstanding on Date of This Report: <u>Ending Balance</u> : Date <u>December 31, 2025</u> Common Stock: <u>2,644,515,543</u>									

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁵	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

Total Outstanding Balance:

Total Shares:

4) Issuer's Business, Products and Services

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

We are a technology-driven enterprise in the health and wellness sector. By operating a global cross-border trading platform for health supplements and a digital network for medical services, we empower users worldwide to manage their personal health. Our company is committed to breaking down geographical barriers, integrating high-quality resources, and fostering a new, interconnected global health ecosystem.

B. List any subsidiaries, parent company, or affiliated companies.

The Company's subsidiary is Lore Pharmaceutical Co. Ltd.

C. Describe the issuers' principal products or services.

The Company is a professional medical service Internet platform for overseas Chinese and seek to solve various obstacles encountered by overseas, including language barrier, communication, cultural differences, medical information asymmetry and other problems.

5) Issuer's Facilities

The Company maintains an office at Xi'an Mike Commercial Center 11C, Xi'an City, Shanxi Province, P.R. China provided by the President of the Company at no cost to the Company.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period ended date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders 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 (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, ≥ 5% beneficial owner)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
Ling Du	President Director, CFO, >5% beneficial owner	Irvine, CA	1,820,000,000	Common Stock	68.9%
Yinxuan Huang	CEO, Secretary, Director, >5% shareholder	Irvine, CA	780,000,000	Common Stock	29.5%

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

No

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

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

No

5. Been the subject 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.

No

6. Been the subject of a U.S. Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S. mail.

No

- 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 to 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.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers.

Securities Counsel

Name: JMS Law Group, PLLC
Address 1: 998C Old Country Road, #233
Address 2: Plainview, NY 11803
Phone: (516) 422-6285
Email: jstein@jmslg.com

Accountant or Auditor

Name: Sherry Jin
Firm: M&H Partners, MT CPA
Address 1: Room 2802E, City Point Tower
Address 2: No.666 West Huaihai Road, Shanghai
Phone: +862152868611
Email: sherry.jin@mhpartners.com.cn

Investor Relations

None.

All other means of Investor Communication:

X (Twitter): N/A
Discord: N/A
LinkedIn: N/A
Facebook: N/A
[Other]

Other Service Providers

Provide the name of any other service provider(s) that that assisted, advised, prepared, or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: N/A
Firm:
Nature of Services:
Address 1:
Address 2:
Phone:
Email:

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: JMS Law Group, PLLC (Jeffrey Stein, Esq.)
Title: Outside Securities Counsel
Relationship to Issuer: Service Provider

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

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Sherry Jin, M&H Partners, MT CPA
Title: Partner
Relationship to Issuer: Service Provider

Describe the qualifications of the person or persons who prepared the financial statements:¹ AICPA and CICPA or partner of M&H Partners .

The following qualifying financial statements are provided:

- o Balance Sheet;
- o Statement of Income;
- o Statement of Cash Flows;
- o Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- o Financial Notes.

¹ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

LOTUS PHARMACEUTICALS, INC.

BALANCE SHEETS

(Unaudited)

	December 31, 2025	December 31, 2024
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 1,449	\$ 0
Prepays		0
Total Assets	\$ 1,449	\$ 0
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
Current Liabilities:		
Accounts payable	\$	\$
Loan payable – related party	302,208	0
Total Current Liabilities	302,208	0
Total Liabilities	\$ 302,208	\$ 0
<u>Stockholders' Deficit:</u>		
Series A Preferred Stock, par value \$0.001, 10,000,000 shares authorized; no shares issued and outstanding	0	0
Common Stock, par value \$0.001, 3,000,000,000 shares authorized; 2,644,515,543 shares issued and outstanding	2,644,516	2,644,516
Additional paid-in capital	30,038,128	30,038,128
Accumulated deficit	(32,983,403)	(32,682,644)
Total Stockholders' Deficit	(300,759)	
Total Liabilities and Stockholders' Deficit	\$ 1,449	\$ 0

The accompanying notes are an integral part of these unaudited financial statements.

LOTUS PHARMACEUTICALS, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

For the Year Ended
December 31

	2025	2024
Operating revenue	-	-
Operating Expenses:		
General and administrative	\$ 29,031	\$ 13,931
Total operating expenses	29,031	13,931
Loss from operations	\$ (29,031)	\$ (13,931)
Other Income(expense)		124,933
Loss before income taxes	(29,031)	111,002
Provision for income taxes	0	0
Net Loss	\$ (29,031)	\$ 111,002
Loss per share, basic and diluted	\$ 0.00	\$ 0.00
Weighted average common shares outstanding, basic and diluted	\$ 2,694,515,543	\$ 2,691,646,690.54

The accompanying notes are an integral part of these unaudited financial statements.

LOTUS PHARMACEUTICALS, INC.
STATEMENT OF STOCKHOLDERS' DEFICIT
For the Years Ended December 31, 2025 and 2024

	Series A Preferred Stock		Common Stock		Paid in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2023	—	—	2,694,515,543	2,694,516	29,988,128	(32,793,646)	(111,002)
Shears Cancelled	—	—	(50,000,000)	(50,000)	50,000		
Net loss	—	—				111,002	111,002
Balance, December 31, 2024	—	\$ —	2,644,515,543	\$ 2,644,516	\$ 30,038,128	\$ (32,682,644)	\$ 0
Net loss	—	—				(29,031)	(29,031)
Adjustment from Common Control Merger	—	—				(271,728)	(271,728)
Balance, December 31, 2025	—	—	2,644,515,543	\$ 2,644,516	\$ 30,038,128	\$ (32,983,403)	\$ (300,759)

The accompanying notes are an integral part of these unaudited financial statements.

LOTUS PHARMACEUTICALS, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Years Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net Loss	\$ (29,031)	\$ 111,002
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in Operating Assets and Liabilities:		
Prepays	0	3,780
Accounts payable		
Net cash used in operating activities	\$ (29,031)	\$ 114,782
Cash flows from investing activities:		
Received from Other Activities Related to Investing	2,829	
Net cash used in investing activities	2,829	
Cash flows from financing activities:		
Proceeds from loans – related party	27,651	(116,683)
Net cash provided by financing activities	27,651	(116,683)
Net change in cash	1,449	(1,901)
Cash, beginning of year	\$ 0	\$ 1,901
Cash, end of year	1,449	0
Supplemental disclosure of cash flow information:		
Cash paid for taxes	\$ —	\$ —
Cash paid for interest	\$ —	\$ —

The accompanying notes are an integral part of these unaudited financial statements.

LOTUS PHARMACEUTICALS, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Lotus Pharmaceuticals, Inc. (the "Company") was incorporated in the State of Nevada on January 28, 2004 under the name S.E. Asia Trading, Inc. On December 7, 2006, the Company changed its name to Lotus Pharmaceuticals, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Concentrations of Credit Risk

We maintain our cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. We continually monitor our banking relationships and consequently have not experienced any losses in our accounts.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents for the years ended December 31, 2025 or 2024.

Basic and Diluted Earnings Per Share

Net income (loss) per common share is computed pursuant to section 260- 10- 45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Stock-Based Compensation

In June 2018, the FASB issued ASU 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share- Based Payment Accounting*. ASU 2018-07 allows companies to account for nonemployee awards in the same manner as employee awards. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those annual periods.

Fair Value of Financial Instruments

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 accounting principles generally accepted in the United States of America (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 unobservable inputs and not corroborated by market data.

The carrying amount of the Company’s financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company’s notes payable approximates the fair value of such instruments as the notes bear interest rates that are consistent with current market rates.

Income Taxes

Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to tax net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of these differences, which will either be taxable or deductible when assets and liabilities are recovered or settled, as well as operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The 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. A valuation allowance is established against deferred tax assets when in the judgment of management, it is more likely than not that such deferred tax assets will not become available. Because the judgment about the level of future taxable income is dependent to a great extent on matters that may, at least in part, be beyond our control, it is at least reasonably possible that management’s judgment about the need for a valuation allowance for deferred taxes could change in the near term.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely to be realized upon settlement. A liability for “unrecognized tax benefits” is recorded for any tax benefits claimed in our tax returns that do not meet these recognition and measurement standards. As of December 31, 2025 and 2024 no liability for unrecognized tax benefits was required to be reported.

Recently issued accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 - GOING CONCERN

The Company's unaudited financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not established any source of revenue to cover its operating costs and has an accumulated deficit. These conditions raise substantial doubt about the company's ability to continue as a going concern. The Company will engage in limited activities without incurring significant liabilities that must be satisfied in cash until a source of funding is secured. The Company will offer noncash consideration and seek equity lines as a means of financing its operations. If the Company is unable to obtain revenue producing contracts or financing or if the revenue or financing it does obtain is insufficient to cover any operating losses it may incur, it may substantially curtail or terminate its operations or seek other business opportunities through strategic alliances, acquisitions or other arrangements that may dilute the interests of existing stockholders.

In future, the Company anticipates that it will develop its main business in a professional medical service Internet platform for overseas Chinese. The Company will seek to solve various obstacles encountered by overseas Chinese in the process of seeking medical treatment, including language barrier, Communication, cultural differences, medical information asymmetry and other problems. As of the date of this Report there are no formal written agreements in place and there are no guarantees that the Company will successfully develop such business.

NOTE 4 – PREFERRED STOCK

The Company has authorized 10,000,000 shares of preferred stock, par value \$0.001, all of which are designated Series A Convertible Preferred Stock ("Series A"). There are no shares of Series A are outstanding.

Below is a description of material rights of the Series A and is subject to the complete Certificate of Designation for the Series A.

Dividend

To the full extent of the assets and funds of the Corporation lawfully available therefor, the Board of Directors shall declare, and the Corporation shall pay to the holders of shares of Series A (each a "Holder" and collectively, the "Holders"), as to each share, mandatory dividends at an annual rate of 8.00%, compounded annually (such rate, the "Dividend Rate") of the sum of (i) \$0.87 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares)(such amount, as so adjusted from time to time, the "Series A Original Issue Price") plus (ii) an amount equal to any dividend that has accumulated through such date on a share of Series A has not paid in full (the amount of such unpaid dividends, an "Arrearage") that are payable in respect of such share, whether or not such dividends are declared, payment of which shall be made in (i) additional shares of Series A .

Voting

The Holders of Series A shall have the same voting rights as the holders of Common Stock. Holders of Common Stock and the Series A shall vote together as a single class on all matters; provided, holders of Series A shall not be entitled to vote for directors.

Conversion

Each share of Series A is convertible into one share of Common Stock. No Holder is entitled to convert any or all of the shares of Series A held by such Holder if and to the extent that such conversion would cause such holder to be a beneficial owner of more than four and ninety-nine-hundredths percent (4.99%) of the Common Stock, as determined under Rule 13d-1(a) under the Securities Exchange Act of 1934, as amended; provided, that the preceding proviso may be waived by such holder (or any designee thereof) with a 61-days advance written notice to the Company and, if applicable, the transfer agent.

Liquidation rights

In the event of any liquidation, dissolution, or winding up of the affairs of the Company, whether voluntary or involuntary (a "Liquidation"), each Holder of the Series A then outstanding shall be entitled to receive out of the assets of the Company legally available for distribution to its shareholders (whether representing capital or surplus), before any payment or distribution shall be made on the Common Stock or any capital stock of the Company ranking junior to the Series A as to the payment of dividends or the distribution of assets, an amount equal to the Series A Original Issue Price (as adjusted for stock splits, stock dividends, reclassification and the like) for each share of Series A then held by them, plus any Arrearages. If, upon any Liquidation of the Company, the assets of the Company, or the proceeds of those assets, available for distribution shall be insufficient to pay in full the amount of the Liquidation Preference, then all of the assets available shall be distributed among the Holders of the Series A. After the payment in full of the Liquidation Preference has been made to the holders of the Series A, if assets remain in the Company, the holders of the Common Stock of the Company (assuming conversion of all shares of Series A) shall receive all of the remaining assets of the Company which shall be distributed ratably among such holders in proportion to their respective number of issued and outstanding shares of Common Stock then held.

NOTE 5 — INCOME TAXES

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has evaluated Staff Accounting Bulletin No. 118 regarding the impact of the decreased tax rates of the Tax Cuts & Jobs Act. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The U.S. federal income tax rate of 21% is being used.

The provision for Federal income tax consists of the following December 31:

	2025	2024
Federal income tax benefit attributable to:		
Current Operations	\$ (6,096)	\$ 23,310
Less: valuation allowance	6,096	(23,310)
Net provision for Federal income taxes	\$ —	\$ —

The cumulative tax effect at the expected rate of 21% of significant items comprising our net deferred tax amount is as follows:

	2025	2024
Deferred tax asset attributable to:		
Net operating loss carryover	\$ 6,926,515	\$ 6,863,355
Less: valuation allowance	(6,926,515)	(6,863,355)
Net deferred tax asset	\$ —	\$ —

At December 31, 2025, the Company had net operating loss carry forwards of approximately \$ 32,983,403 that may be offset against future taxable income. NOLs from tax years up to 2017 can be carried forward twenty years. Under the CARES Act, the Company carry forward NOLs indefinitely for NOLs generated in a tax year beginning after 2018, that remain after they are carried back to tax years in the five-year carryback period. No tax benefit has been reported in the December 31, 2025, financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal Income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2017 .

NOTE 8 – SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10), management has performed an evaluation of subsequent events through the date that the unaudited financial statements were issued and has determined that it has no material subsequent events to disclose in these financial statements.


10) Issuer Certification

Principal Executive Officer:

I, Yinxuan Huang certify that:

1. I have reviewed this Disclosure Statement for Lotus Pharmaceuticals, 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.

March 10, 2026


Yinxuan Huang (Mar 11, 2026 07:52:38 GMT+8)

Yinxuan Huang
CEO

Principal Financial Officer:

I, Ling Du certify that:

1. I have reviewed this Disclosure Statement for Lotus Pharmaceuticals, 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.

March 10, 2026


Ling Du (Mar 11, 2026 07:47:14 GMT+8)

Ling Du
CFO