

Ladybug Resource Group, Inc.

an Oklahoma Corporation
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Tulsa, OK 74119

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SIC Code: 6719

Quarterly Report

(the "Reporting Period")

For the Period Ending: September 30, 2025

Outstanding Shares

The number of shares outstanding of our Common Stock was:

328,112,127 as of September 30, 2025

297,112,127 as of December 31, 2024

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 Control⁵ of the company has occurred during this reporting period:

Yes: No:

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.

Current State and Date of Incorporation or Registration: Oklahoma, April 4, 2024

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

⁵ "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.

OTC Markets Group Inc.

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

Predecessor Entities: Prior to April 4, 2024 (Majority Voted on March 30, 2024), the Company's predecessor issuer was Ladybug Resource Group, Inc., a former Oklahoma Company formed on September 22, 2023. Prior to September 22, 2023, the Company's predecessor issuer was Ladybug Resource Group, Inc., a former Oklahoma Company formed on April 8, 2022. Prior to April 8, 2022 the prior predecessor issuer was Ladybug Resource Group, Inc., a Nevada Company.

From the date of incorporation, April 4, 2024 (Majority Voted on March 30, 2024), Ladybug Resource Group, Inc., has had ongoing operations and is, therefore, an "Issuer" that is not and has never been a "Shell Company" or ever was a "Former Shell Company" as defined in Rule 144(i) of the Act.

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:

Holding Company Reorganization: On April 4, 2024 (Majority Voted on March 30, 2024), Ladybug Resource Group, Inc. became the parent/successor issuer pursuant to Section 1081(g) of the Oklahoma Act titled "Agreement and Plan of Reorganization" ("Parent-Subsidiary Formation"), which was executed by Ladybug Resource Group, Inc. (formed on April 4, 2024) ("Ladybug A"), Ladybug Resource Group, Inc. and Ladybug NutraTech, Inc. (OK). Under the Agreement, Ladybug A merged into Ladybug NutraTech, Inc and Ladybug A ceased to exist, wherein Ladybug NutraTech, Inc became the survivor and successor under Section 1088 of the Oklahoma Act, having acquired all of Ladybug A assets, rights financial statements, obligations, and liabilities as the constituent or resulting corporation. Ladybug Resource Group, Inc. became the parent and the holding Company of Ladybug NutraTech, Inc. under the Parent-Subsidiary Formation, which was in compliance with Section 1081(g) of the Oklahoma Act.

Upon consummation of the Parent-Subsidiary Formation, each issued, and outstanding equity of the former Ladybug A was transmuted into and represented the identical equity structure of Ladybug Resource Group, Inc. (On a share-for-share basis), having the same designations, rights, powers, and preferences, and qualifications, limitations, and restrictions. Upon consummation of the Agreement, the Company was the issuer since the former Ladybug NV equity structure was transmuted pursuant to Section 1081(g) into current issued and outstanding equities of the Company. The Parent-Subsidiary Formation was exempt from the registration requirements of the Securities Act of 1933 ("Act") as there was no "offer" or "sale" as defined in Section 2(3) of the Act to invoke the requirements of Rule 145 also under the Act. Under the terms of the Agreement, the shareholders and equity holders of the former Transition had no appraisal rights or rights to a shareholder vote, and consequently, no investment decision was made by the shareholders. Further, the transaction complied with the provisions of Rule 144(D)(3)(x) titled "Holding Company Formation".

Corporate Separation: On April 4, 2024, by resolution of the Board of Directors on March 30, 2024, the subsidiary Ladybug NutraTech, Inc. was divested and no longer consolidated into the Company.

Share Exchange: On April 4, 2024 (Majority Voted on March 30, 2024), Ladybug Resource Group, Inc., the "Holding Company," completed a Share Exchange Agreement with Thee Mine, Inc., a Delaware Corporation. The Company accounted for the Holding Company Merger under ASC 805-50 "Transactions Between Entities Under Common Control". Thee Mine, Inc., ongoing operations.

Address of the issuer's principal executive office:

1408 S. Denver Avenue
Tulsa, OK 74119

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: Securities Transfer Corporation
Phone: 469-633-0101
Email: www.stctransfer.com
Address: 2901 Dallas Parkway, Suite 380
Plano, TX 75093

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	LBRG	
Exact title and class of securities outstanding:	Common Shares	CUSIP: 50582Q202
Par or stated value:	\$.00001	
Total shares authorized:	750,000,000	as of date: September 30, 2025
Total shares outstanding:	328,112,127	as of date: September 30, 2025
Total number of shareholders of record:	74	as of date: September 30, 2025

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.
N/A

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

Additional class of securities		
Trading symbol:	LBRG	
Exact title and class of securities outstanding:	Preferred Shares	CUSIP: 50582Q202
Par or stated value:	USD 0.00001	
Total shares authorized:	30,001,000	as of date: September 30, 2025
Series (A) Preferred Stock Authorized:	20,000,000	as of date: September 30, 2025
Series (A) Preferred Stock Outstanding:	19,314,991	as of date: September 30, 2025
Series (C) Preferred Stock Authorized:	10,000,000	as of date: September 30, 2025
Series (C) Preferred Stock Outstanding:	200,000	as of date: September 30, 2025

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

Common Stock: The holders of our Common Stock have equal ratable rights to dividends from funds legally available if and when declared by our board of directors and are entitled to share ratably in all our assets available for distribution to holders of Common Stock upon liquidation, dissolution, or winding up of our affairs. Our Common Stock does not provide any preemptive, subscription, or conversion rights, and there are no redemption or sinking fund provisions or rights. Our Common Stockholders are entitled to one non-cumulative vote per Share on all matters on which stockholders may vote. Holders of shares of our Common Stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in that event, the holders of the remaining shares will not be able to elect any of our directors.

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

Series (A) Preferred Stock: The holder of shares of the Series (A) Preferred Stock ("Series (A) Preferred" or "SAP") has no voting rights on corporate matters until they are converted into common shares, at which time, they will have the same voting rights as all common stock Shareholders. SAP Shareholders shares have a value of Ten (\$10.00) USD per Share can be transferred, sold, assigned, and converted into no more than 4.99% of the issued and outstanding Common Shares at the rate equal to the closing market price on the day of the conversion notice, which shall be the dollar amount of the value of the SAP Shares. Series (A) Preferred Stock are not effected by or subject to adjustment following any change to the amount of authorized shares of Common Stock or the amount of Common Stock issued and outstanding caused by any split or consolidation of the Corporation's Common Stock. Series (A) Preferred Stock has a par value of \$0.00001.

Series (B) Voting Preferred The holder of the shares of the Series (B) Voting Preferred Stock has the right to vote regarding any matter or action that is required to be submitted to the shareholders of the Company for approval. The vote of each share of the Series (B) Voting Preferred Stock is equal to and counted as (4) times the votes of all the Shares of the Company's stock issued and outstanding on the date of every vote or consent of the shareholders of the Company regarding every matter submitted to the shareholders of the Company for approval. Series (B) Voting Preferred shares have no value, dividend, or conversion rights

Series (C) Preferred Shares cannot be transferred or sold without the consent of the majority of Series (C) Preferred Shareholders. Series (C) Preferred Stock has a value of \$5.00 per Share. Holders may convert shares into no more than 4.99% of the Company's issued and outstanding shares at the rate of the closing market price on the day of the conversion notice, equal to the dollar amount of the value of the Series (C) Preferred Share. Series (C) Preferred Shares have voting rights equal to (1) vote per Share and no dividends. In the event of a voluntary or involuntary liquidation, dissolution, of the Company shall be entitled to receive conversion value per Share held, paid before the distribution of assets of the corporation equity securities holders. Series (B) Preferred Stock Par value \$.00001 per Share.

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

N/A

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.

N/A

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any 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.

On May 8, 2019, the Company's predecessor, Ladybug Resource Group, Inc., a Nevada company, Issued Twenty Million (20,000,000) Series (A) Preferred Shares to James B. Frack in exchange for payment of Barbara McIntyre Bauman's court-appointed custodian debt.

On September 17, 2021, the Company's predecessor issuer, Ladybug Resource Group, Inc., a Nevada company, Barbara McIntyre Bauman's court-appointed Custodian, approved the issuance of One Million (1,000,000) Series (B) Preferred Shares to Alan K. Fetzer in exchange for the initiation and completion of the Company's reorganization.

On September 17, 2021, Barbara McIntyre Bauman resigned from all offices as director and as Custodian of the Company's predecessor issuer, Ladybug Resource Group, Inc., a Nevada company. She appointed Alan Fetzer to all offices and as director of the Company's predecessor issuer, Ladybug Resource Group, Inc., a Nevada company.

On December 1, 2022, the Company's Chief Executive Officer and the Company entered into a stock cancellation agreement, under which the CEO returned 1,000 Series B shares, which hold super-voting power, and received

2,100,000,000 shares of common stock.

On September 22, 2023, Ladybug Resource Group, Inc. became the parent/successor issuer pursuant to Section 1081(g) of the Oklahoma Act titled "Agreement and Plan of Reorganization" ("Parent Subsidiary Formation"), which was executed by Ladybug Resource Group, Inc. (formed on April 8, 2022) ("Ladybug A"), Ladybug Resource Group, Inc. and LadyMerger Sub, Inc. (OK). Under the Agreement, Ladybug A merged into LadyMerger Sub, Inc., and Ladybug A ceased to exist, wherein Ladybug Resource Group, Inc. became the survivor and successor under Section 1088 of the Oklahoma Act, having acquired all of Ladybug A assets, rights financial statements, obligations, and liabilities as the constituent or resulting corporation. Ladybug Resource Group, Inc. became the parent and the holding Company of LadyMerger Sub, Inc. under the Parent Subsidiary Formation, which was in compliance with Section 1081(g) of the Oklahoma Act.

Upon consummation of the Parent Subsidiary Formation, each issued and outstanding equity of the former Ladybug A was transmuted into and represented the identical equity structure of Ladybug Resource Group, Inc. (On a share-for-share basis), having the same designations, rights, powers, and preferences, and qualifications, limitations, and restrictions. Upon consummation of the Agreement, the Company was the issuer since the former Ladybug NV equity structure was transmuted pursuant to Section 1081(g) into current issued and outstanding equities of the Company. The Parent Subsidiary Formation was exempt from the registration requirements of the Securities Act of 1933 ("Act") as there was no "offer" or "sale" as defined in Section 2(3) of the Act to invoke the requirements of Rule 145, also under the Act. Under the terms of the Agreement, the shareholders and equity holders of the former Transition had no appraisal rights or rights to a shareholder vote, and consequently, no investment decision was made by the shareholders. Further, the transaction complied with the provisions of Rule 144(D)(3)(x) titled "Holding Company Formation".

Corporate Separation: On September 22, 2023, by resolution of the Board of Directors, the subsidiary Ladybug Merger Inc. was divested and no longer consolidated into the Company.

On December 1, 2022, in an Agreement to promote fairer voting preferences, for 211 filings, Alan Fetzer exchanged for the cancellation (1,000) shares of Class B Preferred Stock with a stated value of \$0.00001 per Share, and the Company's predecessor, Ladybug Resource Group, Inc. issued 2,100,000,000 common shares of LBRG with a stated value of \$0.00001 per Share in accordance with ASC 805, Business Combinations ("ASC 805")

On June 29, 2023, Amended Consent Resolution, James B. Frack offered Assistance in the growth of the Company's predecessor, LBRG. by returning Amended September 20, 2023, 650,000 shares of Series (A) Preferred Stock of the Company's predecessor, LBRG being valued at par \$0.00001 per Share in accordance with ASC 805, Business Combinations ("ASC 805").

On June 29, 2023, Alan Fetzer Agreement deems it advisable and, in the Company's predecessor, Ladybug Resource Group, Inc.'s, best interest to exchange for the cancellation of his 2,100,000,000 common shares of the Company's predecessor, Ladybug Resource Group, Inc.'s with a stated value of \$0.00001 per Share and was (1,000) shares of Class B Preferred Stock with a stated value of \$0.00001 per Share in accordance with ASC 805, Business Combinations ("ASC 805").

On June 29, 2023, Ladybug Resource Group, Inc., and AFM Associates Inc. agreed to a Debt Settlement Agreement to cancel AFM promissory notes totaling \$190,000, amended on October 22, 2023, in exchange for the issuance of 30,000 Series (A) Preferred Shares with a stated value of \$0.00001 per Share in the name of AFM Associates Inc.

On June 29, 2023, The Company's predecessor, Ladybug Resource Group, Inc., and Gold Mountain Distribution, Inc., Agreed to the Addendum April 12, 2022, Exchange Agreement and Promissory Note due to severe economic changes in the Cannabis Industry during the past 24 months, The Company's predecessor, Ladybug Resource Group, Inc. approved, authorized and confirmed the cancellation of 2,255,000 Series (C) Preferred Shares issued to David Argudo and Ariana Tibbets in exchange for their Gold Mountain Distribution LLC shares and new review of Gold Mountain Distribution LLC valuation reduce exchange price per Share; respectively.

On August 31, 2023, Ladybug Resource Group, Inc., Gold Mountain Distribution, Inc. ("GMDI"), and The Cali Girl, LLC ("TCGL"), Ariana Tibbets, and Shayland Moise executed a plan of corporate separation agreements due to performance and severe economic changes. Upon TCGL, Shareholders returned 100,000 Series (C) Preferred Shares to LBRG, and GMDI confirmed 2,255,000 Series (C) Preferred Shares LBRG canceled on June 29, 2023, issued pursuant to TCGL dated April 8, 2022, and GMDI dated April 12, 2022, Share Exchange Agreements. On September 22, 2023, the reorganization Closing Date, LBRG transferred, returned, and assigned to GMDI & TCGL Shareholders all their prior ownership in GMDI

& TCGL, thereby making GMDI & TCGL no longer a wholly owned subsidiary. The Shareholders will thereafter be the sole owners of GMDI & TCGL.

On September 22, 2023, as part and parcel of the Parent Subsidiary Formation of the Company on September 22, 2023, and as provided in law, all prior operations of the Company's predecessor, Ladybug Resource Group, Inc., were unwound from the Company's predecessor, Ladybug Resource Group, Inc., according to a certain Plan of Separation.

On October 3, 2023, the Company Directors entered into an Asset Purchase Agreement between Ladybug Resource Group Inc and Growhouse Nutraceuticals Ltd. Growhouse was issued 2,400,000 Preferred Series C.

On October 17, 2023, James B. Frack offered to assist in the Company's growth and cap table restructure. As of October 31, 2023, the Company is readdressing options.

On October 18, 2023, LBRG filed an Amended Certificate of Designation of Preferences, Rights, and Limitations (6,000,000) shares designated as "Series (A) Preferred Stock".

On October 18, 2023, LBRG filed an Amended Certificate of Designation of Preferences, Rights, and Limitations (1,000) shares designated as "Series (B) Preferred Stock".

On October 18, 2023, LBRG filed an Amended Certificate of Designation of Preferences, Rights, and Limitations (6,000,000) shares designated as "Series (C) Preferred Stock".

On November 14, 2023, the Company Directors and Shareholders determined it was in its best interest to consider its options regarding its capital structure further and authorized an amendment to October 18, 2023, Amended and Restated Articles of Incorporation. In addition, as part and parcel to this decision of the Company, Amended Articles of Incorporation, Article IV, Shares of Stock, Authority to Issue (526,001,000) shares of stock of (500,000,000) shares are designated as Common Stock, having a par value of \$.00001 per Share and (26,001,000) shares are designated as Preferred Stock, having a par value of \$.00001 per Share, of which (20,000,000) shares are further designated "Series (A) Preferred Stock", (1,000) shares are designated as "Series (B) Preferred Stock" and (6,000,000) shares are further designated "Series (C) Preferred Stock". And unwind the Return of Stock Agreement.

On February 27, 2024, the Company appointed James P. Kurko as a Director of the Corporation. Additionally, Alan Fetzer resigned from all positions held with the Company on February 27, 2024. At this time, Mr. Kurko was appointed as Chairman, CEO, President, Treasurer, and Secretary of the Company.

On March 1, 2024, the Company Directors entered into an Asset Purchase Agreement between Growhouse Nutraceuticals, a wholly owned subsidiary of Ladybug Resource Group Inc., and Lifespot Wellness Ltd., a Canadian Corporation with Canadian Corporation number 1450546-8. Lifespot Wellness was issued 400,000 shares of Series (C) Preferred Stock of Ladybug Resource Group Inc. The asset is the URL www.nutra55.com.

On March 19, 2024, the Company Directors entered into an Asset Purchase Agreement between Growhouse Nutraceuticals, a wholly owned subsidiary of Ladybug Resource Group Inc., and Vitawin Supplements Ltd., a Canadian Corporation with Canadian Corporation number 1451929-9. Vitawin Supplements was issued 400,000 shares of Series (C) Preferred Stock of Ladybug Resource Group Inc. The asset is the URL www.purleypregna.com.

On May 15, 2024, Company Directors identified a total of (32,807,500) common shares of Ladybug Resource Group Inc. and instructed the Company transfer agent to return to LBRG treasury stock.

On June 17, 2024, in District Court in Washington County, Oklahoma, the judge ordered the Securities Transfer Corporation to terminate, withdraw, cancel, and remove the Stock Ledger, and to return the stock to the company's treasury. The identified common stock of Ladybug Resource Group Inc. totals (238,285,000) shares

On June 27, 2024, Securities Transfer Corporation (STC), the Company's transfer agent, notified the Company that a total of (300,000,000) Common shares needed to be designated as "Non-Issuable Reservation/Reserve Stock" for May 15 and June 17 Court-Ordered shares; STC returned to the Company Common treasury stock.

On June 28, 2024, the Company Directors and Shareholders amended the Authority to Issue to (780,001,000) shares of stock, of which (750,000,000) shares are designated as Common Stock, having a par value of \$.00001 per Share, of which

(450,000,000) are Common shares and (300,000,000) "Non-Issuable Reservation/Reserve" shares to accommodate Securities Transfer Corporation notification dated June 27, 2024.

On June 28, 2024, the Company's Directors entered into an agreement with James P. Kurko to issue 170,000,000 shares of restricted common stock in consideration of taking a controlling position.

On October 10, 2024, HMM Partners converted 6,096 shares of Series (A) Preferred stock into 4,800,000 shares of common stock.

On January 30, 2025, the Company Directors entered a Plan of Corporate Separation between Ladybug Resource Group Inc., Growhouse Nutraceuticals, Lifespot Wellness Ltd, and Vitawin Supplements Ltd. The Plan of Corporate Separation provided for the return of the Ladybug Resource Group stock to the Company Treasury on April 4, 2025.

On April 1, 2025, the Company Directors entered into a Consulting Agreement between the Company and Dominica Papaleo to provide consulting services to the Company by Dominica Papaleo, specifically to bring funding into Thee Mine Inc. The Company issued the stock to Dominica Papaleo in accordance with the Consulting Agreement. Section 1(d) of the Consulting Agreement states that if Thee Mine Inc. disengages from Ladybug Resource Group due to a lack of funding, the consultant, Dominica Papaleo, is to return all stock issued under the Consulting Agreement to Ladybug Resource Group.

On April 4, 2025, the Company's Directors cancelled the Asset Purchase Agreement through a Plan of Corporate Separation with Growhouse Nutraceuticals, Lifespot Wellness, and Vitawin Supplements. As a result, Sofia Sanchez and Tamara Maxfield returned 800,000 and 2,400,000 shares of Series (C) Preferred stock to Ladybug Resource Group.

On April 4, 2025, Jim Kurko returned 170,000,000 shares of common stock to the treasury of Ladybug Resource Group.

On April 4, 2025, Alan Fetzer returned 1,000 shares of Series (B) Preferred stock to the treasury of Ladybug Resource Group.

On April 4, 2025, the Company Directors, as part of a reorganization, entered into a Share Exchange Agreement with Thee Mine Inc. Section 3.2 (a) and (b) establishes specific funding criteria to be met by Ladybug Resource Group. Upon failure to meet these funding goals, Thee Mine Inc. can disengage from Ladybug Resource Group and return all the stock issued under the Share Exchange Agreement.

On April 4, 2025, the Company Directors entered into a Share Exchange Agreement with Thee Mine Inc. As a result, 1,000,000 shares of common, 500 shares of Series (B) Preferred, and 100,000 shares of Series (C) Preferred were issued to Kathy Hembree Joyner.

On April 4, 2025, the Company Directors entered into a Consulting Agreement with Dominica Papaleo. As a result, 200,000,000 shares of common stock, 500 shares of Series (B) Preferred stock, and 100,000 shares of Series (C) Preferred stock were issued to Dominca Papaleo.

On June 20, 2025, the Company Directors entered into a non-binding Letter of Intent Share Exchange Agreement with Biznet Worldwide Ventures Inc and Kendrick Global Brands LLC, an integrated manufacturer and distributor committed to clean, organic, and all-natural Health & Fitness products that support a healthy lifestyle.

On July 10, 2025, the Company received written notice from Thee Mine Inc. that Thee Mine Inc. was disengaging from Ladybug Resource Group Inc. due to the lack of funding that was to have been provided by Consultant Dominica Papaleo. As a result of this disengagement notice, the parties agreed to execute Thee Mine Inc. Plan of Corporate Separation and Dominica Papaleo Share Return Agreement upon notice of LBRG Holding Company Reorganization.

On July 22, 2025, the Company Directors determined that it was in both companies' best interests, after a complete due diligence review, to cancel and terminate the June 20, 2025, Letter of Intent Share Exchange Agreement with Biznet Worldwide Ventures Inc and Kendrick Global Brands LLC.

On September 1, 2025, the Company's Board of Directors unanimously approved and executed a Consulting Agreement with CFLC Holding Limited, directed by Floriane Lan Ching Chang. Pursuant to the agreed closing terms of the Visionary AI Systems Group Limited transaction with Ladybug Resource Group, Inc., CFLC agreed to provide advisory services including, without limitation, pre- and post-closing support, assistance with evaluation, structuring and integration of operations, corporate governance oversight, and operational implementation support. Upon completion of the Share Exchange, the Company issued (200,000,000) LBRG control common shares to CFLC Holding Limited as full and complete consideration for such services.

On September 30, 2025, the Company's Board of Directors unanimously approved and executed a Share Exchange Agreement with AI Systems Group Limited, Co. Under the terms of the agreement, Ms. Maini Wang exchanged 100% Control (455,000) Common Shares, with a stated value of (\$55.00) USD per Share for equal value in LBRG (5,000,000) Series (C) Preferred Shares, stated value (\$5.00) USD per share issued to the persons and entities designated in Ms. Maini Wang's share exchange instructions upon completion of LBRG Holding Company Reorganization. This approval followed the Board's review of National IP & Four T SGCI Fund, June 30, 2025 Visionary AI Systems Group Limited, Co. ("AI Systems"), business operation Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd., asset-based Valuation Report included within the accompanying notes to the financial statements.

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 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 as of Second Most Recent Fiscal Year End: 12/31/2023 Opening Balance Date: December 31, 2023 Common Stock: 378,404,069 Series (A) Preferred Stock: 19,323,538 Series (B) Preferred Stock: 1,000 Series (C) Preferred Stock: 2,400,000			*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.
May 8, 19	Issued	14,600,000	Series (A) Preferred	\$0.00001	No	James B. Frack	Agreement Purchase	Restricted	Section 4(2)/Reg D
May 8, 19	Issued	4,317,284	Series (A) Preferred	\$0.00001	No	James B. Frack	Agreement Purchase	Restricted	Section 368(a)(1)(B)
Sep 17, 21	Issued	1,000,000	Series (B) Preferred	\$0.00001	No	Alan K. Fetzer	Agreement	Restricted	Section 368(a)(1)(B)
Apr 1, 22	Returned to Treasury	999,000	Series (B) Preferred	\$0.00001	No	Alan K. Fetzer	Agreement	N/A	N/A
Apr 8, 22	Issued	50,000	Series (C) Preferred	\$5.00	No	Ariana Tibbets	Exchange Agreement	Restricted	Section 368(a)(1)(B)
Apr 8, 22	Issued	50,000	Series (C) Preferred	\$5.00	No	Shayland Moise	Exchange Agreement	Restricted	Section 368(a)(1)(B)
Apr 12, 22	Issued	1,522,125	Series (C) Preferred	\$5.00	No	David E. Argudo	Exchange Agreement	Restricted	Section 368(a)(1)(B)
Apr 12, 22	Issued	732,875	Series (C) Preferred	\$5.00	No	Ariana Tibbets	Exchange Agreement	Restricted	Section 368(a)(1)(B)
Jul 18, 22	Transferred	200,000	Series (A) Preferred	\$0.10	No	HMM Partner Hannes Mack	Agreement	Res- 6/8/2018	Section 4(2)/Reg D
Jul 18, 22	Transferred	200,000	Series (A) Preferred	\$0.10	No	AFM Associates Alex Mack	Agreement	RES- 6/8/2018	Section 4(2)/Reg D
Aug 16, 22	Returned to Treasury	32,716	Series (A) Preferred	\$0.00	No	James B. Frack	Conversion notice Series A	Res- 6/8/2018	Section 4(2)/Reg D

Dec 1, 22	Returned to Treasury	1,000	Series (B) Preferred	Par value	No	Alan K. Fetzer	Stock Cancellation Agreement	N/A	ASC 805-30-30-1 & 7
Dec 1, 22	Issued	2,100,000,000	Common Shares	\$0.00001	No	Alan K. Fetzer	Stock Cancellation Agreement	Restricted	ASC 805-30-30-1 & 7
Jun 15, 23	Issued	100,000	Series (A) Preferred	\$0.00001	No	HMM Partner Hannes Mack	Purchase Agreement	Restricted	Section 4(2)/Reg D
Jun 29, 23	Returned to Treasury	2,100,000,000	Common Shares	\$0.00001	No	Alan K. Fetzer	Stock Cancellation Agreement	Restricted	ASC 805-30-30-1 & 7
Jun 29, 23	Issued	1,000	Series (B) Preferred	Par value	No	Alan K. Fetzer	Stock Cancellation Agreement	N/A	ASC 805-30-30-1 & 7
Jun 29, 23	Returned to Treasury	650,000	Series (A) Preferred	\$0.00001	No	James B. Frack	Agreement	Restricted	ASC 805-30-30-1 & 7
Jun 29, 23	Returned to Treasury	1,522,125	Series (C) Preferred	\$5.00	No	David E. Argudo	Corporate Separation	Restricted	Section 368(a)(1)(B)
Jun 29, 23	Returned to Treasury	732,875	Series (C) Preferred	\$5.00	No	Ariana Tibbets	Corporate Separation	Restricted	Section 368(a)(1)(B)
Aug 31, 23	Returned to Treasury	50,000	Series (C) Preferred	\$5.00	No	Ariana Tibbets	Corporate Separation	Restricted	Section 368(a)(1)(B)
Aug 31, 23	Returned to Treasury	50,000	Series (C) Preferred	\$5.00	No	Shayland Moise	Corporate Separation	Restricted	Section 368(a)(1)(B)
Aug 31, 23	Returned to Treasury	100,000	Series (A) Preferred	\$0.00001	No	HMM Partner Hannes Mack	Cancellation Agreement	Restricted	Section 4(2)/Reg D
Sep 22, 23	Issued	30,000	Series (A) Preferred	\$0.00001	No	AFM Associates Alex Mack	Settlement Agreement	Restricted	Section 4(2)/Reg D
Sep 22, 23	Issued	2,400,000	Series (C) Preferred	\$5.00	No	Tamara Gabriel Maxfield	Exchange Agreement	Restricted	Section 368(a)(1)(B)
Dec 4, 23	Issued	14,201,516	Common Shares	\$0.00001	No	James B. Frack	Conversion Notice Series A	Restricted	Section 4(2)/Reg D
Feb 22, 24	Issued	5,000,558	Common Shares	\$0.00001	No	James B. Frack	Conversion Notice Series A	Restricted	Section 4(2) Reg D
Feb 22, 24	Issued	2,500,000	Common Shares	\$0.00001	No	Alexander Mack	Conversion Notice Series A	Restricted	Section 4(2) Reg D
Mar 26, 24	Issued	2,500,000	Common Shares	\$0.00001	No	Alexander Mack	Conversion Notice Series A	Restricted	Section 4(2) Reg D
May 15, 24	Retired	3,357,500	Common Shares	\$0.00001	No	Kirk Baron	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	4,800,000	Common Shares	\$0.00001	No	John Stavinoaha	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	3,000,000	Common Shares	\$0.00001	No	Charles Cummings	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	3,000,000	Common Shares	\$0.00001	No	Mike Steele	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	1,500,000	Common Shares	\$0.00001	No	Milton Blatt	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	750,000	Common Shares	\$0.00001	No	Dan & Judy Daniels	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	3,500,000	Common Shares	\$0.00001	No	Seashell Partners	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	3,600,000	Common Shares	\$0.00001	No	Marshall Shanklin	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	1,500,000	Common Shares	\$0.00001	No	Sally Temple	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	1,500,000	Common Shares	\$0.00001	No	Martin Bailey	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	4,800,000	Common Shares	\$0.00001	No	Mike Turner	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
May 15, 24	Retired	1,500,000	Common Shares	\$0.00001	No	Randy Tooker	Retirement Shares	Restricted	ASC 805-30-30-1 & 7
Jun 27, 24	Issued	5,000,000	Common Shares	\$0.00001	No	Alexander Mack	Conversion Notice Series A	Restricted	Section 4(2) Reg D
Jun 2, 24	Cancelled	119,142,500	Common Shares	\$0.00001	No	Jianhui Huang	Court Order for Cancellation	Restricted	ASC 805-30-30-1 & 7
Jun 2, 24	Cancelled	119,142,500	Common Shares	\$0.00001	No	Alex Man Kai Lee	Court Order for Cancellation	Restricted	ASC 805-30-30-1 & 7
Jun 2, 24	Issued	170,000,000	Common Shares	\$0.00001	No	James P. Kurko	Control Agreement	Restricted	Section 4(2) Reg D
Jun 28, 24	Issued	400,000	Series (C) Preferred	\$0.00001	No	Sofia Selena Sanchez	Asset Purchase Lifespot Wellness Ltd	Restricted	Section 4(2)/Reg D
Jun 28, 24	Issued	400,000	Series (C) Preferred	\$0.00001	No	Sofia Selena Sanchez	Asset Purchase Vitawin Supplements	Restricted	Section 4(2)/Reg D
Jun 28, 24	Issued	5,000	Series (A) Preferred	\$0.00001	No	James P. Kurko	Director Agreement	Restricted	Section 4(2)/Reg D

Oct 10, 24	Issued	4,800,000	Common	\$0.00001	No	Hannes Mack	Conversion Notice Series A	Restricted	Section 4(2) Reg D
Apr 4, 25	Cancelled	170,000,000	Common	\$0.00001	No	James Kurko	Retirement	Restricted	ASC 805-30-30-1 & 7
Apr 4, 25	Cancelled	1,000	Series (B) Preferred	\$0.00001	No	Alan Fetzer	Retirement	Restricted	ASC 805-30-30-1 & 7
Apr 4, 25	Cancelled	800,000	Series (C) Preferred	\$0.00001	No	Sofia Sanchez	Retirement	Restricted	ASC 805-30-30-1 & 7
Apr 4, 25	Cancelled	2,400,000	Series (C) Preferred	\$0.00001	No	Tamara Maxfield	Retirement	Restricted	ASC 805-30-30-1 & 7
Apr 4, 25	Issued	1,000,000	Common	\$0.00001	No	Kathy Joyner	Exchange Agreement	Restricted	Section 368(a)(l)(B)
Apr 4, 25	Issued	200,000,000	Common	\$0.00001	No	Dominica Papaleo	Consulting Agreement	Restricted	Section 368(a)(l)(B)
Apr 4, 25	Issued	500	Series (B) Preferred	\$0.00001	No	Dominica Papaleo	Consulting Agreement	Restricted	Section 368(a)(l)(B)
Apr 4, 25	Issued	500	Series (B) Preferred	\$0.00001	No	Kathy Joyner	Exchange Agreement	Restricted	Section 368(a)(l)(B)
Apr 4, 25	Issued	100,000	Series (C) Preferred	\$0.00001	No	Kathy Joyner	Exchange Agreement	Restricted	Section 368(a)(l)(B)
Apr 4, 25	Issued	100,000	Series (C) Preferred	\$0.00001	No	Dominica Papaleo	Consulting Agreement	Restricted	Section 368(a)(l)(B)
Shares Outstanding on Date of This Report: September 30, 2025									
Common Stock: 328,112,127									
Series (A) Preferred: 19,314,991									
Series (C) Preferred: 200,000									

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

NONE

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.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

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

Visionary AI Systems Group Limited, Co. ("AI Systems"), business operation Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. ("Jingdiao") is Headquartered in the Huadu District of Guangzhou,

AI Systems operations Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. has established itself as a premier entity in the intelligent manufacturing sector since its inception in May 2016. The company operates as a vertically integrated manufacturer specializing in automotive production line tooling, fixtures, and non-standard automation equipment. By positioning itself as a comprehensive one-stop supply platform for industrial automation parts, Jingdiao addresses the complex demands of the modern automotive supply chain with speed, precision, and scalability.

Jingdiao distinguishes itself from traditional competitors through its robust, self-contained manufacturing ecosystem. Unlike typical firms that rely on fragmented outsourcing, the company maintains full control over the production lifecycle, encompassing design, high-power laser cutting, welding, large-scale CNC machining, and environmental painting. The facility is equipped with rare, region-leading assets, including 20,000-watt laser cutting systems and 8-meter sandblasting

units, allowing the company to handle complex, large-format non-standard components that few peers can replicate. This heavy-asset foundation ensures strict quality control and significantly accelerated delivery timelines.

Beyond its hardware capabilities, Jingdiao is a pioneer in the digitalization of manufacturing management. Recognizing the inherent inefficiencies of non-standard production, the company developed a proprietary digital management system, the "Non-standard Steward." This software solution revolutionizes workforce management by digitizing real-time tracking of employee performance and production. This technological advantage allows for transparent cost control and high operational efficiency, transforming the traditional workshop model into a data-driven enterprise.

The company's commitment to operational excellence has secured its status as a trusted partner to a blue-chip portfolio of global automotive leaders. Jingdiao serves as a key supplier to major OEMs and integrators, including Tesla, Honda, Toyota, BMW, Mercedes-Benz, XPeng, and Li Auto. Under the leadership of General Manager Li Shicai, who brings extensive management experience from Toyota, Panasonic, and Honda Engineering, the company adheres to rigorous Japanese Lean Manufacturing principles and ISO 9001:2015 quality standards.

Looking toward the future, Jingdiao is actively diversifying its revenue streams beyond the automotive sector. The company has successfully expanded into the packaging and printing industry by developing high-margin AI-powered visual inspection equipment, securing a substantial pipeline of orders. Furthermore, the company is leveraging its manufacturing and software expertise to build a broader supply chain trading platform that aggregates and optimizes the non-standard manufacturing industry. With consistent revenue growth and a 115% increase in net profit in the most recent fiscal year, Guangzhou Jingdiao stands as a dynamic leader in the convergence of industrial hardware and digital manufacturing intelligence.

THEE MINE, INC., a Florida-based real estate development company, has launched an immersive experimental eco-resort and entertainment venue located just 20 minutes from Gainesville and the University of Florida. Situated on a 300-acre natural oasis that was once a functioning mine, Thee Mine blends entertainment, luxury, and sustainability into a true 21st-century biophilic destination.

This remarkable venue includes a 35,000-capacity amphitheater uniquely carved from the mine's natural walls, preserving the site's serene environment. From the spring-fed lake to a host of curated VIP experiences, Thee Mine delivers a one-of-a-kind destination. Amenities include a wellness center, spa, dining experiences, and more—inviting guests to come for the entertainment and stay for the experience.

Guided by the vision of veteran real estate developers, the project is designed from the ground up to reflect biophilic principles. Every structure and landscape element aims to enhance the connection between guests and nature. The result is a luxurious yet eco-conscious resort experience that is globally replicable.

Located in Florida with its favorable year-round climate, Thee Mine is a scalable, phased development. Phase One is scheduled to open in Fall 2025, with core amenities and experiences in place. Phase Two will follow in 2026, and Phase Three is targeted for completion in early 2027. Each phase will bring new revenue-generating assets online, enhancing guest offerings and increasing cash flow.

The venue's sustainable infrastructure includes integrated solar power systems, reducing reliance on traditional grid energy. This eco-friendly approach aligns with the values of today's top-performing artists, many of whom prioritize venues powered by renewable energy.

Premium experiences are built into the resort, including skyboxes, a luxury RV resort, and glamorous camping ("glamping") accommodations. Guests will enjoy gourmet food, craft cocktails, and table service—all part of a hospitality model focused on exceptional service and memorable moments.

With RV popularity on the rise, Thee Mine capitalizes on this trend by offering resort-style comforts in an RV-friendly setting. Glamping bridges the gap between rugged outdoor adventure and modern luxury, giving guests the ability to reconnect with nature without sacrificing comfort.

Thee Mine also strategically enters the motorsports sector, leveraging existing relationships in kart racing to tap into both the recreational and professional segments. A 0.7-mile sanctioned kart track will feature a dirt section, enabling the venue to host Supermoto Championship events. With the global recreational go-kart market poised for strong growth in 2025, this initiative adds a powerful revenue stream while drawing spectators, participants, and motorsport enthusiasts.

The leadership behind Thee Mine includes top professionals in real estate development, event production, entertainment, and sports management. Their combined expertise ensures a project poised for success and long-term growth. Thee Mine is more than a destination—it's a new standard in immersive, sustainable, and scalable entertainment experiences

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

Visionary AI Systems Group Limited, Co., business operations Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd.

Thee Mine Inc.

C. Describe the issuers' principal products or services.

AI Systems Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. (established May 2016) is a certified high-tech industrial company based in Guangzhou, China. Specializing in custom automotive production line equipment – designing and manufacturing tooling, jigs, fixtures, and integrated non-standard machinery for automobile factories. In addition, we develop proprietary software to digitize manufacturing management, making us a pioneer in bridging traditional fabrication with modern Industry 4.0 solutions, and we have beachhead market share in AI equipment. As a reliable supplier to Tesla, Honda, Toyota, BMW, Mercedes-Benz, GAC, Panasonic, XPeng, and Li Auto.

Thee Mine Inc. Eco-Resort & Entertainment Venue featuring a 35,000-seating capacity Amphitheater for Live Concerts and Events with VIP Bar & Lounge, VIP Venue Seating w/F&B Service and Concessions.

5) Issuer's

The goal of this section is to provide investors with a clear understanding of all assets, properties, or facilities owned, used, or leased by the issuer and the extent in which the facilities are utilized.

AI Systems Jingdiao operates with a team of 73 personnel, comprising 45 full-time employees and 28 contracted specialists, working from a single primary manufacturing facility in Guangzhou's Huadu District. The facility is uniquely equipped to provide fully integrated, end-to-end fabrication and manufacturing services in-house.

Key operational capabilities include heavy-duty CNC machining equipment capable of processing components up to 2m, 4m, 6m, and 8m in length, along with comprehensive welding, material treatment, precision finishing, industrial sandblasting, and certified non-standard industrial painting services.

AI Systems Jingdiao single facility fully integrated assembly and testing, allowing the company to manage every stage of production internally—from raw material cutting, welding, and machining to full assembly and final factory acceptance testing (FAT). Eliminating outsourcing delays and quality risks enables faster delivery while maintaining consistent quality control.

Thee Mine Inc.; 1623 SW 298th St, Newberry, Florida 32669 USA 300-acre property located 20 minutes from Gainesville, Florida, and the University of Florida. featuring a naturally biophilic designed Amphitheater carved right out of the walls of the mine, facility parking, spring-fed lake Glamping Sites, and Luxury RV Sites.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end 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.

The goal of this section is to provide investors 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 owners.

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)
Warren D. Booth	Director	25 the Esplanade Toronto, Ontario, Canada M5E1W1	5,000	Series (A) Preferred	.025%
James Kurko	Control Person Ladybug Resource Group Inc.	13025 Signature Pt, San Diego Ca 92130	170,000,000	Common stock	47%
Neal Pflum	President and Director	3410 Voyager Circle San Diego, CA 92130	5,000	Series (A) Preferred	.025%

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

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. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Heskett & Heskett
John Heskett
2401 Nowata Place Ste. A.
Bartlesville, OK 74006
Telephone (918) 336-1773
Facsimile (918) 336-3152

Accountant or Auditor

M. Bilal Bhamji
Bhamji Taxation Services Inc.
Chartered Professional Accountant
New Westminster, British Columbia, Canada
Title: CPA, CMA
Relationship to Issuer: Third Party Vendor

Investor Relations

Name: _____

All other means of Investor Communication:

X (Twitter): <https://www.twitter.com/LadybugNutra>
LinkedIn: <https://www.linkedin.com/company/ladybugnutratech-gmail-com>
Facebook: <https://www.facebook.com/profile.php?id=61558085791606>

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.

9) Disclosure & Financial Information

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

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: M. Bilal Bhamji

Title: CPA, CMA

Relationship to Issuer: Third Party Vendor

Describe the qualifications of the person or persons who prepared the financial statements:⁷ CPA

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁷ 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.
OTC Markets Group Inc.
Alternative Reporting Standard: OTCID Disclosure Guidelines (v1.0 July 1, 2025)

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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

The certifications shall follow the format below:

I, Neal P. Pflum, certify that:

1. I have reviewed this Quarterly Report for the Period Ending September 30, 2025, of Ladybug Resource Group, 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, considering 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 11, 2025

/s/ Neal P. Pflum

Neal P. Pflum

Principal Executive Officer:

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Neal P. Pflum, certify that:

1. I have reviewed this Quarterly Report for the Period Ending September 30, 2025 of Ladybug Resource Group, 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 11, 2025

/s/ Neal P. Pflum

Neal P. Pflum

Principal Financial Officer:

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

LADYBUG RESOURCE GROUP, INC.

Trading Symbol (LBRG)

Quarterly Report

**For the Quarters Ending: September 30, 2025
and September 30, 2024**

(Unaudited)

Ladybug Resource Group, Inc.
Consolidated Balance Sheets (US GAAP)
For the Periods Ending:
(Unaudited)

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	90,890.66	75,100.10
Notes Receivable	428,103.89	125,682.20
Accounts Receivable, Net	1,338,881.72	800,019.20
Inventory	982,500.86	817,490.62
Prepaid & Other Current Assets	471,870.83	517,369.62
Total Current Assets	3,312,247.96	2,335,661.83
Non-Current Assets		
Property, Plant & Equipment, Net	970,191.75	1,035,793.57
Intangible Assets, Net	14,524.67	4,036.16
Deferred Charges & Other Long-term Assets	47,123.47	27,450.63
Total Non-Current Assets	1,031,839.89	1,067,280.36
Total Assets	4,344,087.85	3,402,942.19
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term Debt	1,370,972.63	852,267.97
Accounts Payable	698,605.51	600,800.77
Contract Liabilities (Advance Receipts)	235,725.13	170,379.16
Accrued Payroll & Benefits	60,801.99	67,388.48
Taxes Payable	42,380.52	8,279.94
Other Accrued Liabilities	24,285.58	1,849.56
Total Current Liabilities	2,432,771.36	1,701,008.38
Long-term Liabilities		
Long-term Debt	511,302.24	763,560.18
Long-term Payables / Other Long-term Liabilities	101,228.21	31,203.76
Total Long-term Liabilities	612,530.45	794,763.94
Total Liabilities	3,045,301.81	2,495,772.32
Shareholders' Equity		
Paid-in Capital	323,664.63	295,384.63
750,000,000 Common Shares authorized \$.00001 par value		
328,112,127 I/O ,as of Sept 30 2025 and 297,112,127 I/O ,as of Dec 31, 2024	3,281	2,971
20,000,000 Series (A) Preferred shares authorized \$.00001 par value		
19,314,991 I/O, as of Sept 30 2025 and 19,311,087 I/O ,as of Dec 31, 2024	193	193
1,000 Series (B) Preferred shares authorized \$.00001 par value		
1,000 I/O, as of Sept 30 2025 and 1,000 I/O ,as of Dec 31, 2024	1	1
10,000,000 Series (C) Preferred shares authorized \$.00001 par value		
3,200,000 I/O, as of Sept 30 2025, and 3,200,000 I/O ,as of Dec 31, 2024	32	32
Common Stock / Paid-in Capital	327,171.84	298,581.84
Retained Earnings	971,614.20	608,588.03
Total Shareholders' Equity	1,298,786.04	907,169.87
Total Liabilities & Equity	4,344,087.85	3,402,942.19

Ladybug Resource Group, Inc.
Consolidated Statements of Operations (US GAAP)
For the Periods Ended:
(Unaudited)

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Net revenue	3,575,409.68	2,781,624.90
Cost of revenue	(2,763,456.98)	(2,072,070.07)
Gross profit	811,952.70	709,554.83
Operating expenses:		
Selling, general, and administrative expenses	598,281.49	607,246.28
Research and development	-	-
Total operating expenses	598,281.49	607,246.28
Operating income	213,671.21	102,308.55
Other income (expense):		
Interest expense, net	(118,418.36)	(84,297.05)
Other income (expense), net	69,709.18	56,928.11
Total other income (expense)	(48,709.18)	(27,368.94)
Income before income taxes	164,962.03	74,939.61
Provision for income taxes	(4,116.70)	(3,746.92)
Net income	160,845.33	71,192.69
Other comprehensive income, net of tax	-	-
Total comprehensive income	160,845.33	71,192.69

LADYBUG RESOURCE GROUP, INC.
For the Period Ending: September 30, 2025 Unaudited

	Common Shares		Series (A) Preferred Stock		Series (B Preferred Stock		Preferred (C) Shares		Paid In Capital	Total Liabilities & Equity	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at Dec. 31, 2023	378,404,069	\$ 3,784	19,311,087	\$ 193	1,000	\$ 0.10	2,400,000	\$ 24	\$ 299,387	\$ 2,875,707	\$ 880,419
Retirement Shares	(86,091,942)	\$ (861)	(2,500)	\$ (1)	-	-	-	-	-	-	(862)
Stock Issuances	-	-	-	-	-	-	-	-	-	-	-
Net Profit/Loss Sept 30, 2024	-	-	-	-	-	-	-	-	(805)	\$ 527,235	\$ 26,751
Balance at Sept 30, 2024	292,312,127	\$ 2,923	19,308,587	\$ 193	1,000	\$ 0.10	3,200,000	\$ 32	\$ 298,582	\$ 3,402,942	\$ 907,170
Balance at Dec 31, 2024	297,112,127	\$ 2,971	19,304,991	\$ 193	1,000	\$ 0.10	3,200,000	\$ 32	\$ 290,017	\$ 4,450,065	\$ 1,088,517
Stock Issuances	31,000,000	310	-	-	-	-	-	-	-	-	310
Retirement Shares	-	-	-	-	-	-	(3,000,000)	(30)	-	-	(30)
Net Profit/Loss Jan - Sep 30, 2025	-	-	-	-	-	-	-	-	37,155	(105,977)	210,269
Balance at Sep 30, 2025	328,112,127	\$ 3,281	19,304,991	\$ 193	1,000	\$ 0.10	200,000	\$ 2	\$ 327,172	\$ 4,344,088	\$ 1,298,786

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

OTC Markets Group Inc. Disclosure Guidelines for the Pink Market (v6.0 January 31, 2025)

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Ladybug Resource Group, Inc.
Consolidated Statements Of Cash Flow (US GAAP)
For the Periods Ended:
(Unaudited)

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Cash flows from operating activities:		
Cash received from customers	3,908,963.74	2,902,559.03
Other operating cash receipts	37,778.78	3,592.09
Cash paid to suppliers	(3,105,268.42)	(2,922,857.73)
Cash paid to employees	(4,555.89)	(383.55)
Income taxes paid	(249,159.29)	(162,800.52)
Interest paid	(114,301.46)	(76,723.26)
Other operating cash payments	(475,376.67)	(385,849.52)
Net cash provided by (used in) operating activities	(1,919.21)	(642,463.46)
Cash flows from investing activities:		
Capital expenditures (purchases of property, plant, and equipment)	(24,103.42)	(15,968.32)
Net cash provided by (used in) investing activities	(24,103.42)	(15,968.32)
Cash flows from financing activities:		
Proceeds from issuance of common stock / capital contributions	28,279.99	-
Proceeds from short-term and long-term borrowings	1,217,917.84	1,287,110.05
Principal payments on borrowings	(1,385,801.12)	(615,039.46)
Net cash provided by (used in) financing activities	(139,603.29)	672,070.59
Effect of exchange rate changes on cash (translation rounding)	2.80	(3,592.43)
Net increase (decrease) in cash and cash equivalents	(165,623.12)	10,046.38
Cash and cash equivalents at beginning of period	256,513.77	72,257.18
Cash and cash equivalents at end of period	90,890.66	82,303.56

LADYBUG RESOURCE GROUP, INC.

NOTES: Quarterly Report for the Period Ending September 30, 2025 (Unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Business Description: Visionary AI Systems Group owns Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. (“Jingdiao”) is a high-tech industrial equipment company based in Guangzhou, China (est. 2016). The company specializes in designing and building custom production-line equipment for automotive factories – such as automated jigs, fixtures, tooling, and specialized machinery – as well as developing proprietary software to digitize manufacturing management processes. Jingdiao effectively bridges traditional fabrication with modern Industry 4.0 solutions, offering not just hardware but also integrated software that streamlines production and quality control.

In addition, Jingdiao is investing in a digital B2B platform initiative (in development) that aims to connect the fragmented custom manufacturing sector. While not yet a revenue driver, this online platform – essentially a marketplace for on-demand fabrication services – could, in the long term, transform the business model to include commission or subscription revenues. Management envisions incubating this platform internally and potentially spinning it off for an IPO once scaled. This prospect adds a significant “upside option” to Jingdiao’s valuation, albeit one that will take a few years to materialize (the platform is expected to start contributing revenue ~2–3 years from now).

In summary, Jingdiao’s markets are large and on an upswing. The automotive equipment segment provides a strong foundation in a \$14B+ industry with secular growth (EV transition, automation upgrades) aligned to Jingdiao’s strengths. The printing/packaging inspection segment is a new but fast-growing market where Jingdiao is positioned to be a leader in China, riding a ~\$1–2B wave of investment in smart factory tech. And in the longer horizon, the company’s platform initiative targets an even broader transformation of custom manufacturing at scale. This multi-pronged market exposure underlies the aggressive growth assumptions used in our valuation. iteratives and planned investment.

Industry and Market Position

The Company’s operating affiliate provides equipment and automation solutions to global automotive manufacturers and suppliers. Its customer base includes major automotive industry participants such as: Tesla, Honda, Toyota, BMW, Mercedes-Benz, GAC, Panasonic, XPeng, and Li Auto

By serving leading global manufacturers, the Company has established a position within the broader automotive manufacturing supply chain, supporting the industry’s increasing demand for automation and intelligent manufacturing technologies. **Business Operations** The Company’s affiliated operating entity provides integrated manufacturing solutions primarily focused on non-standard industrial automation equipment.

Core operational activities include:

- Design and manufacturing of automotive production-line tooling
- Fabrication of industrial fixtures and jigs
- Custom automation equipment manufacturing
- CNC machining and metal fabrication
- Industrial welding and assembly
- Manufacturing management software development

The operating entity maintains vertically integrated manufacturing capabilities, allowing the production lifecycle to be managed internally from engineering design through final testing and delivery.

Manufacturing Capabilities

The Company’s manufacturing operations include a full-service fabrication facility capable of handling complex industrial components.

Capabilities include:

- High-power laser cutting systems
- Large-scale CNC machining equipment
- Welding and metal fabrication
- Precision finishing and sandblasting
- Industrial coating and environmental painting

- Final assembly and factory acceptance testing

The vertically integrated production model allows the Company to maintain strict quality control while reducing manufacturing lead times and minimizing reliance on outsourced suppliers.

Technology Strategy

In addition to traditional manufacturing capabilities, the Company has invested in the development of proprietary digital manufacturing systems.

One such system, referred to as a digital manufacturing management platform, allows the Company to monitor workforce productivity, production performance, and operational efficiency in real time.

These digital capabilities enable improved cost control, increased transparency in manufacturing processes, and enhanced operational decision making.

Management believes that the integration of manufacturing hardware with digital software platforms represents a significant competitive advantage.

Ladybug Resource Group has acquired **THEE MINE, INC.**, a Florida-based real estate development company, has launched an immersive experimental eco-resort and entertainment venue located just 20 minutes from Gainesville and the University of Florida. Situated on a 300-acre natural oasis that was once a functioning mine, Thee Mine blends entertainment, luxury, and sustainability into a true 21st-century biophilic destination.

This remarkable venue includes a 30,000-capacity amphitheater uniquely carved from the mine's natural walls, preserving the site's serene environment. From the spring-fed lake to a host of curated VIP experiences, Thee Mine delivers a one-of-a-kind destination. Amenities include a wellness center, spa, dining experiences, and more—inviting guests to come for the entertainment and stay for the experience.

Guided by the vision of veteran real estate developers, the project is designed from the ground up to reflect biophilic principles. Every structure and landscape element aims to enhance the connection between guests and nature. The result is a luxurious yet eco-conscious resort experience that is globally replicable.

Located in Florida with its favorable year-round climate, Thee Mine is a scalable, phased development. Phase One is scheduled to open in Fall 2025, with core amenities and experiences in place. Phase Two will follow in 2026, and Phase Three is targeted for completion in early 2027. Each phase will bring new revenue-generating assets online, enhancing guest offerings and increasing cash flow.

The venue's sustainable infrastructure includes integrated solar power systems, reducing reliance on traditional grid energy. This eco-friendly approach aligns with the values of today's top-performing artists, many of whom prioritize venues powered by renewable energy.

Premium experiences are built into the resort, including skyboxes, a luxury RV resort, and glamorous camping ("glamping") accommodations. Guests will enjoy gourmet food, craft cocktails, and table service—all part of a hospitality model focused on exceptional service and memorable moments.

With RV popularity on the rise, Thee Mine capitalizes on this trend by offering resort-style comforts in an RV-friendly setting. Glamping bridges the gap between rugged outdoor adventure and modern luxury, giving guests the ability to reconnect with nature without sacrificing comfort.

Thee Mine also strategically enters the motorsports sector, leveraging existing relationships in kart racing to tap into both the recreational and professional segments. A 0.7-mile sanctioned kart track will feature a dirt section, enabling the venue to host Supermoto Championship events. With the global recreational go-kart market poised for strong growth in 2025, this initiative adds a powerful revenue stream while drawing spectators, participants, and motorsport enthusiasts.

The leadership behind Thee Mine includes top professionals in real estate development, event production, entertainment, and sports management. Their combined expertise ensures a project poised for success and long-term growth. Thee Mine is more than a destination—it's a new standard in immersive, sustainable, and scalable entertainment experiences.

Corporate Separation: On March 30, 2024, the Board of Directors, by majority vote, divested the subsidiary Ladybug NutraTech, Inc., which is no longer consolidated into the Company.

Currently, the Company generates or will generate revenue through various ways:

Corporate Separation: On March 30, 2024, the Board of Directors, by majority vote, divested the subsidiary Ladybug NutraTech, Inc., which is no longer consolidated into the Company.

Currently, the Company generates or will generate revenue through various ways:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

The accompanying unaudited consolidated financial statements have been prepared on a basis consistent with GAAP for financial information. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented. The results of operations for the periods are not necessarily indicative of the results expected for any future period.

Principles of Consolidation

The accompanying unaudited consolidated financial statements of the Company include the accounts of its wholly owned subsidiary. The Company's consolidated subsidiary is as follows:

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Accordingly, actual results could differ from those estimates. Significant estimates include:

- Liability for legal contingencies.
- Useful life of fixed assets.
- Deferred income taxes and related valuation allowances.
- Going concern.
- Assessment of long-lived assets for impairment.
- Assessment of goodwill for impairment
- Revenue recognition.

Cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. The Company did not have any cash equivalents as of September 30, 2025.

Fair value of financial instruments

The Company adopted the provisions of FASB Accounting Standards Codification ("ASC") 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and expands disclosures about fair value measurements. The carrying amount of the Company's financial assets and liabilities, such as cash, other receivables, accounts payable and accrued liabilities, accrued compensation, stock payable, accrued interest, automobile loan, convertible notes, promissory note approximate their fair value because of the short maturity of those instruments.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB ASC to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue recognition

The Company follows guidance from FASB Accounting Standards Codification ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"). The guidance sets forth a five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the promised goods or services.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligation(s) in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction to the performance obligation(s) in the contract.
5. Recognition of revenue when, or as the Company satisfies a performance obligation.

The Company's performance obligations are established when a customer submits a purchase order notification (in writing, electronically or verbally) for goods, and the Company accepts the order. The Company identifies the performance obligation as the delivery of the requested product in appropriate quantities and to the location specified in the customer's contract and/or purchase order. The Company generally recognizes revenue when the product or service has been transferred to the customer, at which time the Company has an unconditional right to receive payment. The Company's sale prices are final, and the selling prices are not affected by contingent events that could impact the transaction price. Revenue is typically recognized at the time the product is delivered to our customer, at which time the title passes to the customer, and there are no further performance obligations. The Company has generated \$4,904,447 and \$4,769,739 of revenue during the twelve months ended September 30, 2025 and 2024, respectively.

Income taxes

The company accounts for income taxes pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 740, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and loss carry forwards and their respective tax bases. 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 of a change in tax rules on deferred tax assets and liabilities is recognized in operations in the year of change. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

Impairment of Long-Lived Assets

The carrying value of long-lived assets are reviewed on a regular basis for the existence of facts and circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset over its estimated fair value.

Goodwill

Goodwill represents the excess of the purchase price of acquired business over the estimated fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at least once annually, at the reporting unit level or more frequently if events or changes in circumstances indicate that the asset might be impaired. The goodwill impairment test is applied by performing a qualitative assessment before calculating the fair value of the reporting unit. If, on the basis of qualitative factors, it is considered not more likely than not that the fair value of the reporting unit is less than the carrying amount, further testing of goodwill for impairment would not be required. Otherwise, goodwill impairment is tested using a two-step approach. The first step involves comparing the fair value of the reporting unit to its carrying amount. If the fair value of the reporting unit is determined to be greater

than its carrying amount, there is no impairment. If the reporting unit's carrying amount is determined to be greater than the fair value, the second step must be completed to measure the amount of impairment, if any. The second step involves calculating the implied fair value of goodwill by deducting the fair value of all tangible and intangible assets, excluding goodwill, of the reporting unit from the fair value of the reporting unit as determined in step one. The implied fair value of the goodwill in this step is compared to the carrying value of goodwill. If the implied fair value of the goodwill is less than the carrying value of the goodwill, an impairment loss equivalent to the difference is recorded. As of September 30, 2025 and September 30, 2024, there were no impairment losses recognized for goodwill.

Convertible Instruments

All other newly issued but not yet effective accounting pronouncements have been deemed to be not applicable or immaterial to the Company.

NOTE 3 - CONVERTIBLE NOTES

NONE

Other Promissory Note (related party)

NONE

NOTE 4 - STOCKHOLDERS' DEFICIT

The Company's equity at September 30, 2025, consisted of 750,001,000 shares of common stock and 30,001,000 shares of preferred stock, both with a par value of \$0.00001 per share, of which 20,000,000 are Series (A) Preferred, 1,000 are Series (B) Preferred and 10,000,000 are Series (C) Preferred shares.

As of September 30, 2025 and September 30, 2024, there were 328,112,127 and 297,112,127 shares of common stock issued and outstanding, respectively.

As of September 30, 2025 and September 30, 2024, there were 19,304,991 and 19,304,991 shares of Series (A) Preferred Stock issued and outstanding, 1,000 and 1,000 shares of Series B Preferred Stock issued and outstanding, and 200,000 and 3,200,000 shares of Series (C) Preferred Stock issued and outstanding, respectively.

Common Stock

NOTE 5 – RELATED PARTIES

NONE

NOTE 6 – SUBSEQUENT EVENTS

NONE

Valuation Report – Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. (June 30, 2025)

All financial figures are in U.S. Dollars (USD) for consistency (converted from Chinese Yuan at ~¥7.2 = \$1).

Executive Summary

- **Valuation Conclusion:** Based on a comprehensive analysis using Discounted Cash Flow (DCF), market comparables, and asset-based valuation, Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. (“Jingdiao”) is valued in the range of approximately \$20–25 million as of June 30, 2025. This valuation range represents the highest credible equity value supported by the company’s solid historical performance and significant growth prospects. It implies multiples on the higher end of industry peers, justified by Jingdiao’s unique technology and market position.
- **Key Drivers:** Jingdiao’s valuation is underpinned by its strong historical growth, proprietary technology, and promising new business lines:
 - Revenues grew from ~\$3.6 million in 2022 to ~\$4.7 million in 2024 with improving profitability . The company is a certified high-tech manufacturer specializing in custom automotive production line equipment with integrated software systems , which has enabled it to win repeat business from major automakers.
 - Jingdiao’s growth potential in AI-driven inspection equipment for the printing industry is especially notable. The company already holds over ¥100 million (~\$14+ million) in orders for its new AI optical inspection machines – a high-margin product (57% gross margin) that diversifies revenue beyond automotive . This positions Jingdiao to capture a share of a projected ¥115.5 billion (\$1.6 billion) market by 2027 in smart inspection for printing .
 - Proprietary Technology & Efficiency: Jingdiao has internally developed digital management software and automation systems that boost manufacturing productivity and quality . This intellectual property, along with ISO 9001 certification and unique in-house capabilities (e.g. the only certified industrial painting and sandblasting facilities in its region), gives Jingdiao a competitive moat and adds to its valuation premium .
 - Operational Scale & Market Position: With a one-stop production facility housing large-format CNC machines (up to 8m), high-power laser cutters, and full in-house finishing, Jingdiao can execute complex custom projects end-to-end faster and at lower cost than fragmented competitors . This has led to a “steady flow of orders from major manufacturers” who cannot find similar capabilities elsewhere . In China’s automotive tooling niche, Jingdiao is a go-to supplier for top OEMs (e.g. it has received awards from Honda) and enjoys local market leadership in its specialty. In the printing sector, its early mover

advantage in AI equipment has resulted in initial contracts that establish beachhead market share, leveraging relationships with large printing companies .

- **Financial Projections:** Forward-looking projections (2025–2027) anticipate accelerated growth as new capital is deployed. Revenues are forecast to roughly double by 2026 (to ~\$10+ million) and approach ~\$14 million by 2027, accompanied by improving profit margins (net margin rising from ~5% in 2024 to ~10%+ by 2027). These projections reflect robust demand (backlog on hand), expanded capacity, and the ramp-up of high-margin AI product sales (with recurring service/software revenue potential) . Jingdiao expects to reinvest aggressively in 2025–2027 (in working capital, new equipment, and its online platform) to support this growth, with free cash flows turning strongly positive thereafter.
- **Investment Appeal:** At the upper valuation range (~\$25 million), Jingdiao’s implied multiples are ~2.0–2.5× 2025E revenue and ~15–18× 2025E EBITDA, which is on the higher side of traditional industrial equipment peers. However, this is justified by Jingdiao’s hybrid model as both a manufacturing business and a tech play. Industrial machinery companies typically trade around 8–10× EBITDA and 1× revenue, but high-growth “specialty industrial machinery” and industrial tech firms command significantly higher multiples (often 15× EBITDA or more) . Jingdiao’s mix of tangible assets and proprietary technology supports a premium valuation relative to peers. Notably, the company’s last funding round valued it at approximately ¥110 million (\$15 million pre-money) , and the analyses in this report substantiate a higher value based on the company’s current traction and future upside.
- **Summary of Methodologies:** Our valuation triangulates three approaches:
 1. **DCF Analysis:** Using projected cash flows (detailed in Section 4) and a discount rate of ~14–15% (reflecting Jingdiao’s risk profile as a growth-stage industrial tech firm), the DCF yields an equity value in the low-to-mid teens of millions USD. We then considered scenario adjustments (e.g. a slightly lower cost of capital given strategic investors, or higher terminal growth given platform potential) which push the DCF value toward the \$20+ million level. This method captures the intrinsic value based on Jingdiao’s cash generation potential, but tends to undervalue near-term high-growth companies due to upfront investments.
 2. **Market Comparables:** We analyzed valuation multiples of both traditional equipment manufacturers and relevant technology-oriented peers. Applying EV/EBITDA of ~10× (industrial average) to Jingdiao’s 2025–2026 projected EBITDA and P/E of ~15× to normalized earnings yields equity values around \$12–18 million. However, considering Jingdiao’s tech-driven growth (closer to “specialty industrial machinery” which average ~16–17× EBITDA , or small-cap industrial tech firms trading at 2–3× revenue), valuations in the \$20–25 million range are obtainable. This would equate to ~2.0× 2026E revenue – within reason given Jingdiao’s 50%+ revenue CAGR and software-like margins on new products.
 3. **Asset-Based Valuation:** Jingdiao’s book value of equity (net assets) is only about ¥8.5 million (~\$1.2 million) as of June 30, 2025 . Even adjusting for the market value of fixed assets and internally developed software IP, an asset-based approach yields a baseline value well below \$5 million. This underscores that most of Jingdiao’s value lies in its going-concern potential, intellectual property, and growth prospects rather than the current balance

sheet. The asset approach thus serves as a floor valuation (order-of-magnitude ~\$1–2 million) and is given the least weight in our final assessment.

- **Recommendation:** A valuation in the ~\$20–25 million range (post-money) is well-supported by the analyses and reflects Jingdiao’s unique position at the intersection of manufacturing and technology. For negotiation purposes with U.S.-listed investors and institutional funds, we recommend emphasizing Jingdiao’s high-growth segments and tech platform potential to justify the upper end of this range. Sensitivity analysis (Section 5) shows the valuation is most sensitive to growth and margin assumptions – which Jingdiao can defend via its strong order backlog and proven execution – and to the discount rate or multiples applied (which investors may adjust for perceived risk). Overall, an equity valuation around \$22 million (mid-point of our range) is a credible ask that offers investors an attractive stake in a profitable core business with significant upside in new ventures.

Company Overview

Business Description: Guangzhou Jingdiao Automotive Equipment Manufacturing Co., Ltd. (“Jingdiao”) is a high-tech industrial equipment company based in Guangzhou, China (est. 2016) . The company specializes in designing and building custom production-line equipment for automotive factories – such as automated jigs, fixtures, tooling, and specialized machinery – as well as developing proprietary software to digitize manufacturing management processes . Jingdiao effectively bridges traditional fabrication with modern Industry 4.0 solutions, offering not just hardware but also integrated software that streamlines production and quality control.

Scale and Operations: Under founder Mr. Li Shicai (a manufacturing veteran with prior tenures at Toyota, Panasonic, and Honda), Jingdiao has grown to a team of 73 (45 full-time staff and 28 contracted specialists) . The company operates a single major facility in Guangzhou’s Huadu district, which is uniquely equipped to provide end-to-end fabrication services in-house. Key capabilities include:

- **Large-format machining and cutting:** Jingdiao runs heavy-duty CNC machines (able to handle parts up to 2m, 4m, 6m, and even 8m in length) and one of the largest high-power laser cutting systems in the region . This allows it to take on very large custom fabrications that most local shops cannot.
- **Complete welding, treatment, and finishing:** It is the only company in the area with an industrial sandblasting facility and a certified non-standard industrial painting workshop . Jingdiao can thus perform surface treatment and coating on-site, a rarity that shortens lead times and ensures quality.
- **Integrated assembly and testing:** The company handles all stages from raw material cutting, welding, machining, through to assembly and final factory acceptance tests. By consolidating the entire build process under one roof, Jingdiao avoids outsourcing

delays and quality issues, delivering custom equipment faster and with more consistent quality control .

This one-stop approach is a major differentiator. Traditional custom fabrication shops in China are highly fragmented and often lack certain capabilities, forcing them to subcontract work (leading to slower delivery and higher cost) . Jingdiao’s comprehensive in-house process has made it a preferred supplier to demanding customers. Because few competitors can match this breadth of service, Jingdiao enjoys repeat orders from major manufacturers – it consistently has a full order book and has won awards from firms like Honda for its innovation and execution .

Product Lines: Jingdiao’s revenue today comes from two primary streams:

1. Custom Automotive Equipment (Core Business): Designing and manufacturing bespoke tools, fixtures, and automated machinery for automotive OEMs and Tier-1 suppliers. These are project-based contracts tied to automakers’ production line upgrades or new model launches. Jingdiao has delivered projects such as welding fixtures, robotic assembly stations, quality inspection rigs, and conveyor systems for various car factories. This segment provides a stable base of revenue and leverages Jingdiao’s deep expertise in automotive manufacturing processes. Gross margins in these projects benefit from Jingdiao’s efficiency and vertical integration.
2. Intelligent Inspection Systems (Emerging Product): In 2023, Jingdiao developed a smart AI-powered optical inspection machine targeted initially at the printing and packaging industry. This system uses computer vision and AI to automatically detect print quality defects at high speed on production lines. It represents Jingdiao’s move from pure custom-build projects into proprietary product sales. Each unit sells for around ¥700,000 (~\$100k) and delivers high margins (~57% gross margin) . After a successful pilot, this product saw rapid market traction – over ¥100 million in orders have been secured at the early stage (equivalent to ~140+ units) . This is remarkable initial demand, indicating the solution addresses a critical pain point in print manufacturing. The AI inspection line is also sold with software and potential maintenance services, introducing a recurring revenue element (e.g. software licensing or service contracts) that could further improve margins and valuation multiples .

In addition, Jingdiao is investing in a digital B2B platform initiative (in development) that aims to connect the fragmented custom manufacturing sector. While not yet a revenue driver, this online platform – essentially a marketplace for on-demand fabrication services – could, in the long term, transform the business model to include commission or subscription revenues . Management envisions incubating this platform internally and potentially spinning it off for an IPO once scaled . This prospect adds a significant “upside option” to Jingdiao’s valuation, albeit one that will take a few years to materialize (the platform is expected to start contributing revenue ~2–3 years from now) .

Certifications and Intangible Assets: Jingdiao's focus on quality and innovation is evidenced by its certifications and IP:

- It is ISO 9001:2015 certified for quality management . It also holds a special environmental certification for industrial painting (allowing it to legally conduct in-house painting processes) – a rare accreditation that few peers have, giving Jingdiao a unique legal advantage in its region.
- The company has been recognized as a National High-Tech Enterprise in China, which confers certain tax benefits and prestige . This status reflects Jingdiao's ongoing R&D efforts.
- Jingdiao has developed proprietary software systems for internal use (and possibly future external licensing) that digitize its workshop scheduling, project management, and inventory control. These systems reduce labor needs and human error, effectively increasing worker productivity and throughput by introducing real-time data and AI into what was traditionally a manual process . This in-house intellectual property is an asset often not fully captured on the balance sheet.
- The company's human capital – experienced engineers, software developers, and industry experts – is another intangible strength. Mr. Li's leadership and continuous improvement culture (inspired by his Toyota background) drive efficient operations. The team's combined expertise in both manufacturing and software is difficult for competitors to replicate at similar scale.

In summary, Jingdiao is a vertically integrated manufacturer with a tech edge, serving primarily the automotive sector while expanding into new markets (printing/packaging) and new business models (industry platform). The combination of a profitable core business and innovative new ventures forms the basis of the valuation analysis that follows.

Industry and Market Opportunity

Jingdiao operates at the nexus of China's automotive manufacturing equipment industry and the emerging smart manufacturing technology sector, with an expansion into the printing/packaging automation market. The opportunities in these markets are substantial:

- **Automotive Manufacturing Equipment (Core Market):** China is the world's largest automobile producer, and its automakers are investing heavily in advanced manufacturing capabilities. The domestic market for automotive intelligent manufacturing equipment reached approximately ¥1,025.34 billion in 2023 (around \$14.2 billion) . This includes robotics, custom tooling, assembly line upgrades, and other factory automation specific to vehicles. Several trends are driving continued growth:
 - The transition to electric vehicles (EVs) has sparked a wave of retooling; new EV models require new production line setups, battery assembly systems, specialized jigs, etc. Automakers and suppliers are ordering custom equipment at an unprecedented pace to support EV launches .

- Model diversification and shorter product cycles mean factories must be more flexible – often relying on custom fixtures or modular designs that can be quickly swapped. Jingdiao’s ability to rapidly deliver tailor-made equipment positions it well as an outsourcing partner for these needs.
- Despite the market size, the custom equipment sector is fragmented among many small fabricators. Large OEMs prefer to consolidate vendors for reliability. Jingdiao’s track record and comprehensive capabilities give it a chance to capture greater share of wallet from major customers (it has already become a trusted supplier to plants of Honda, GAC, among others).
- We anticipate the automotive equipment market in China to continue a healthy growth rate in the mid-term (high single-digit percentage annually) as both legacy ICE and new EV manufacturers invest in upgrading production lines. Jingdiao’s reputation and local market leadership in South China make it a prime beneficiary of this trend, assuming it has the capacity to take on more projects.
- **Printing & Packaging Automation (New Growth Market):** The printing, packaging, and labeling industry in China is modernizing, especially in quality control and inspection processes. AI-based inspection equipment is a high-growth niche within this sector. By 2027, the market for AI inspection systems in printing is projected to reach ¥115.55 billion (~\$1.6 billion) . This represents a strong double-digit CAGR over the next 3–5 years as print shops and packaging producers invest in automation to improve output quality. Jingdiao’s initial success here – with several large printing companies ordering its inspection machines – indicates a significant opportunity:
 - The demand is broad-based: packaging for consumer goods, food and beverage labeling, commercial printing, etc., all benefit from automated defect detection to reduce waste and customer returns. As awareness of AI solutions grows, adoption is expected to accelerate.
 - Jingdiao is among the early movers with a proven solution in China. The >¥100m order backlog for its inspection machine suggests it has a first-mover advantage and reference customers to showcase . This can snowball if execution continues successfully, allowing Jingdiao to establish a strong foothold before many competitors emerge.
 - Profitability in this segment is attractive (gross margins ~55–60% vs. perhaps ~20–30% in traditional equipment manufacturing), so capturing even a small share of this \$1.6B market could disproportionately boost Jingdiao’s earnings.
 - Importantly, success in printing could pave the way for entry into other industries with similar inspection needs (textiles, electronics manufacturing, etc.), leveraging the same AI vision core. Jingdiao’s strategy is to demonstrate its smart manufacturing capability in one domain and then replicate it elsewhere, which increases the long-term TAM (Total Addressable Market).
- **Non-Standard Manufacturing & Industrial Upgrades (Platform Opportunity):** Beyond these immediate markets, Jingdiao’s broader vision is to address the huge but fragmented custom manufacturing sector across industries. In South China alone, there are over 1 million small machining and fabrication workshops serving various industries . Globally, the market for on-demand custom parts and equipment spans automotive, electronics, aerospace, machinery, and more – collectively worth tens of billions of dollars. The pain point is inefficiency: clients struggle to find reliable suppliers quickly, and small shops lack steady demand or modern tools. Jingdiao’s proposed online platform aims to aggregate this supply and demand. If successful, it could tap into:

- The long tail of custom fabrication orders that are currently handled ad-hoc. By acting as a central marketplace, Jingdiao could earn transaction fees or markups, effectively participating in a very large volume of industrial B2B trade.
- An ecosystem advantage: Jingdiao’s own manufacturing operations provide credibility and a pilot ground for the platform. In its own business, Jingdiao already sees more demand than it alone can fulfill . Channeling excess orders to a vetted network via a digital system could allow Jingdiao to grow beyond the physical constraints of its factory, scaling revenue without equivalent capital expenditure. This is a key rationale behind investor excitement for the platform model.
- While this platform concept is in early development, the market trend is favorable – industries are increasingly open to digital procurement solutions, and no dominant platform for custom manufacturing exists yet in China. This represents a long-term, high-upside opportunity for Jingdiao. (We have not explicitly factored platform revenues into the 3-year financial projections, given the longer build-out timeframe, but qualitatively this prospect enhances Jingdiao’s valuation narrative.)

In summary, Jingdiao’s markets are large and on an upswing. The automotive equipment segment provides a strong foundation in a \$14B+ industry with secular growth (EV transition, automation upgrades) aligned to Jingdiao’s strengths . The printing/packaging inspection segment is a new but fast-growing market where Jingdiao is positioned to be a leader in China, riding a ~\$1–2B wave of investment in smart factory tech . And in the longer horizon, the company’s platform initiative targets an even broader transformation of custom manufacturing at scale. This multi-pronged market exposure underlies the aggressive growth assumptions used in our valuation.

Financial Projections (2025–2027)

The following forecasts model Jingdiao’s financial performance for the next 3+ years, reflecting the company’s growth initiatives and planned investment. These projections assume that Jingdiao secures additional funding in mid-2025 (the company is currently seeking ¥20–30 million, or ~\$3–4 million, in new equity) to support its expansion. All figures are in USD (converted from CNY at ¥7.2/USD) and are on a consolidated basis for Jingdiao’s operations.

Income Statement Forecast (USD):

Fiscal Year	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast
Revenue	\$4.7 million	\$6.9 million	\$10.4 million	\$13.9 million
Year-on-Year Growth	4.8%	~47%	~50%	~34%

Fiscal Year	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast
Gross Profit	\$1.3 million	\$2.2 million	\$3.5 million	\$5.0 million
Gross Margin	27%	32%	34%	36%
Operating Profit (EBIT)	\$0.16 million	\$0.42 million	\$1.04 million	\$1.67 million
EBIT Margin	3.5%	6.0%	10.0%	12.0%
Net Profit	\$0.24 million	\$0.36 million	\$0.74 million	\$1.16 million
Net Margin	5.1%	5.3%	7.1%	8.3%

Key assumptions in the above projections:

- Revenue Growth:** The sharp increase in 2025 (+~47%) is driven by fulfillment of the existing order backlog, especially shipments of the new AI inspection machines. We assume Jingdiao delivers a substantial portion of the >\$14 million in AI system orders through late-2024 and 2025, in addition to modest growth in automotive project revenues. By 2026, with the benefit of new funding, Jingdiao can scale production capacity (and possibly outsource selectively via its network) to roughly double 2024 revenue. The growth rate moderates to ~34% in 2027 as the base becomes larger. These figures align with management's stated goal of doubling revenues within 1–2 years post-investment. For context, Jingdiao's historical CAGR (2020–2024) was high – albeit from a small base – and the introduction of the product business adds a step-change in scale.
- Profitability:** We project a steady improvement in margins. Gross margins are expected to rise from ~27% in 2024 to mid-30s by 2027, thanks to a revenue mix increasingly favoring the high-margin AI equipment (and potential recurring software/service revenue attached). At the same time, operational efficiencies from digital management and economies of scale should reduce per-unit production costs on custom projects. Operating (EBIT) margin expands more dramatically (from a low 3–6% in 2024–25 toward ~12% in 2027) as the relatively fixed SG&A and R&D expenses are spread over greater sales. Jingdiao has been reinvesting most profits into R&D and capacity (for example, 2024 administrative + R&D expenses were ~18% of revenue). We assume continued high R&D spend (on AI, platform development) in absolute terms, but as revenue grows these costs become a smaller percentage, allowing operating leverage to manifest by 2026+. Net profit margins approach ~8–10% by 2027, still somewhat conservative given the product business potential (many industrial tech companies target >10% net margins). We also assume Jingdiao maintains its preferential 15% corporate tax rate as a high-tech enterprise, and that interest expense declines after the equity raise (some short-term debt can be paid down).
- Working Capital & Cash Flow:** To achieve these growth levels, Jingdiao will need to deploy significant working capital. Custom equipment projects typically involve large working capital swings – e.g. building inventory of raw materials and work-in-progress, and carrying accounts receivable until customer acceptance. This is evident in Jingdiao's financials: current assets jumped in 2024 to support higher deliveries (inventories ~¥7.9m and receivables ~¥12.0m at end of H1 2025). Our model assumes working capital will run ~15–18% of annual revenue. As a result, Jingdiao's operating cash flow will be negative or minimal in 2025–2026, since cash earnings are plowed back into building inventory and receivables for growth. By 2027, this begins to turn around as the growth rate stabilizes and the new product sales (which have shorter cash cycles and possibly deposits/up-front payments) contribute more. The point for

investors is that Jingdiao will consume cash in the near term – hence the importance of the \$3–4 million fundraising to fund this growth. We project that with the new equity, Jingdiao can cover its working capital and capital expenditure needs through 2027, after which it should become self-funding.

- **Capital Expenditures:** Jingdiao’s capex was elevated in 2024 (~¥3 million, or ~9% of sales, to purchase additional CNC machines and equipment) as it expanded its workshop . We anticipate further capex in 2025 (e.g. a few key new machines and facility improvements) but at a declining percentage of revenue thereafter. The projections assume capex roughly 10% of revenue in 2025–26 (to debottleneck production and support the platform development with IT infrastructure), tapering to ~5% of revenue by 2027 (maintenance level). In dollar terms, that’s about \$0.7m in 2025 and \$1.0m in 2026 for capital investments, then ~\$0.7m in 2027. This should be sufficient given Jingdiao’s strategy to also utilize partner capacity via the platform rather than solely building more in-house. Depreciation is expected to rise commensurately (from ~\$0.15m in 2024 to ~\$0.8m by 2027) as recent and new capex is depreciated.

Balance Sheet & Capital Structure: By mid-2025, Jingdiao had total assets of ~¥33.1m (\$4.6m) against total liabilities of ~¥24.6m (\$3.4m), and equity of ~¥8.5m (\$1.2m) . Notably, short-term debt had increased to ¥11.9m by H1 2025 (from ¥1m a year prior) to finance working capital . With the projected equity infusion (\$3.5m) in 2025, we assume the company will pay down a portion of short-term loans (reducing interest burden) and use the rest for growth initiatives. By 2027, the balance sheet is expected to expand in line with the business:

- Current assets will grow with revenue; inventory and A/R will peak in 2026 then improve slightly in turnover as processes optimize. Cash levels in 2025–26 will be kept low as cash is reinvested, but by 2027, we anticipate a modest positive free cash flow, allowing cash accumulation or debt reduction.
- Fixed assets will increase with capex, though relative asset turnover improves as revenue scales faster than new capital spending post-2025.
- Debt: We forecast that no significant new debt is needed after 2025 (the company may even retire some loans). Debt-to-equity ratio thus improves significantly post-fundraise. By 2027, Jingdiao could be nearly debt-free or maintain only inexpensive working capital credit lines, leaving the capital structure primarily equity-funded. This clean balance sheet is attractive for future larger raises or an eventual IPO.
- Equity: The projections reflect the new equity capital, bringing book equity to roughly \$5–6 million by 2025–26. Retained earnings will grow as profits accelerate, though the company is not likely to pay dividends in the foreseeable future, preferring reinvestment.

Cash Flow Outlook: Putting it together, free cash flow (FCF) is projected to be negative through 2026 due to the expansion phase, turning positive by 2027. For example, in our model 2025 FCF is about -\$0.55m and 2026 FCF around -\$0.35m (as increased earnings are offset by \$1m+ annual working capital build and capex). By 2027, FCF turns positive (+\$0.2m) and is set to accelerate thereafter as revenue growth continues but investment needs

plateau. The point at which FCF inflects positive is when the DCF valuation captures significant value, as discussed next.

Chart: Projected Revenue and Net Income (2022–2027) – The graph below illustrates Jingdiao’s historical performance and forecasted growth trajectory, highlighting the expected surge in revenue from new business lines and the improving profitability.

Historical and projected revenues (bars, left axis) and net income (line, right axis) for Jingdiao, 2022–2027. The company anticipates significant revenue growth in 2025–2026 driven by the AI inspection product launch, with net margins gradually rising toward 10%. (Data for 2022–2024 from company financials; 2025–2027 projections by analysis.)

Valuation Analysis and Methodologies

We employed three primary valuation methodologies – DCF, comparables, and asset-based – to triangulate Jingdiao’s worth. Each approach offers a different perspective: DCF captures the company’s intrinsic value based on future cash flows; market multiples gauge how peers are valued; and the asset approach provides a floor based on the balance sheet. All analyses are as of June 30, 2025. Below we detail each methodology, key assumptions, and results, then reconcile them into our recommended valuation range.

1. Discounted Cash Flow (DCF) Analysis

The DCF valuation is based on the present value of Jingdiao’s expected future free cash flows, plus a terminal value representing the business beyond the projection period. We have used the financial projections from 2025 to 2029 (extended slightly beyond the tables above for a more complete DCF) and then estimated a terminal value at the end of 2029. Key DCF parameters:

- Projection Period: 5 years (2025–2029) of explicit forecasts, using the growth assumptions and margins discussed in Section 4. Beyond 2027, we assumed growth moderates (2028 revenue growth ~30%, 2029 ~23%, and EBIT margin leveling out ~13%). This captures Jingdiao’s ramp-up and a transition toward a steadier state by the end of the decade.
- Discount Rate (WACC): We applied a weighted average cost of capital of 14–15%, reflecting a blended cost of equity and debt. As a private, growth-stage firm, Jingdiao’s risk profile is higher than that of mature industrial companies. A 15%

WACC was used as our base case; for sensitivity, we also examined 12% (which might be justified if an investor perceives lower risk or if post-investment stability improves) and 18% (higher risk-case). Most of Jingdiao's value is effectively equity (debt is temporary and will be reduced), so the WACC is largely driven by cost of equity. A 15% rate is reasonable for an industrial tech SME in China and is in line with venture investors' return targets for an opportunity with significant upside.

- Terminal Value: We employed a Gordon Growth model for terminal value, assuming a long-term growth rate of 3% in perpetuity after 2029. This is slightly above expected developed-market inflation and reflects China's ongoing industrial growth potential, tempered by the fact that Jingdiao will eventually mature. (We cross-checked this by also considering an exit multiple: at 2029, EBIT ~\$2.9m and EBITDA ~\$3.8m, a terminal EV/EBITDA of ~10× would also yield ~\$38m enterprise value, which is consistent with the Gordon Growth result at 3%–4% terminal growth and 14–15% discount.)

DCF Findings: In our base scenario (15% WACC, 3% terminal growth), the DCF produced an enterprise value of ~¥120 million, or \$16.7 million, and an equity value of approximately \$15–16 million after adjusting for mid-2025 net debt. This is somewhat below the current investor valuation (~\$15m pre-money), reflecting the cash flow drag of near-term investments. However, the DCF is highly sensitive to assumptions:

- If we use a slightly lower WACC of 13% (arguably justified given Jingdiao's profitable core and asset-backed business, plus new capital reducing financial risk), the equity value increases to ~\$18–19 million.
- If we assume a 4% terminal growth (more optimistic long-run growth due to the platform business potential), the value would likewise rise to the high teens in millions USD.
- On the other hand, a higher WACC of 18% (which might reflect additional risk or execution uncertainty) could push the DCF value down to around \$12 million.

It's important to note that Jingdiao's DCF valuation is suppressed in the early years by negative free cash flows (reinvestment). In 2025–2027, the model shows net outflows as Jingdiao builds working capital and capex. The bulk of the DCF value comes from 2028 onward when cash flows turn positive and grow. This makes the DCF heavily reliant on the terminal value (over 80% of the PV in our base case). While this is normal for a high-growth company, it means the DCF outcome will depend greatly on one's long-term outlook for Jingdiao. We believe using relatively conservative cash flow forecasts and moderate terminal growth gives a prudent baseline. In summary, the DCF supports a valuation on the order of \$15 ± 3 million for Jingdiao under reasonable assumptions. We view this as a floor or "intrinsic value" estimate – one that could be surpassed if the company executes well (and indeed, strategic investors often pay above DCF for growth companies).

2. Market Comparables Analysis

For market comps, we looked at both comparable publicly traded companies and recent transaction multiples in relevant sectors:

- **Public Peers:** Direct comparables to Jingdiao are not plentiful, given its mix of business. We considered two groups:
 1. **Industrial Machinery/Automation Firms:** mid-sized equipment manufacturers, especially those serving automotive or industrial automation markets (for example, ATS Automation in Canada, or certain Chinese A-share listed automation tool companies). Industrial machinery companies globally in 2025 have been trading around $8\times$ – $10\times$ EV/EBITDA (median $\sim 9\times$) and $\sim 0.8\times$ – $1.2\times$ EV/Revenue on a trailing basis. However, firms with specialty niches or higher growth (e.g. robotics integrators, specialty machinery) trade higher – EV/EBITDA averages for “Specialty Industrial Machinery” are about 16 – $17\times$, and many such companies have P/E ratios in the 20s.
 2. **Industrial Tech and AI Solution Providers:** small-cap companies that provide smart manufacturing solutions or AI vision systems. These are often valued closer to software companies, with EV/Sales multiples ranging from $\sim 2\times$ up to $5\times$ or more (if recurring revenue is high), and very high P/E ratios if in high growth (sometimes not meaningful if earnings are minimal). For instance, companies in machine vision or IoT hardware/software can fetch $>3\times$ revenue in markets like China or the US, especially if they have a recurring revenue element.
- **Transactions and Private Valuations:** We also considered Jingdiao’s own current fundraising and valuations of similar private companies. Jingdiao’s pre-money at $\text{¥}110\text{m}$ ($\sim \$15\text{m}$) was likely informed by a combination of its assets and growth (as noted, this equated to roughly $10\times$ its 2024 EBITDA or $\sim 3\times$ its 2024 revenue – a premium on pure financials due to its tech upside). In the industrial sector, M&A deals often happen around 5 – $8\times$ EBITDA for pure-play fabrication shops (which would be lower than Jingdiao’s ask), but acquisitions of tech-oriented manufacturing firms have seen double-digit EBITDA multiples and revenue multiples of 2 – $4\times$, especially when strategic synergies or proprietary technology are involved.

Applying Multiples to Jingdiao: To gauge Jingdiao’s value via comparables, we applied a range of multiples to its financial metrics:

- Using 2024 actual figures: EBITDA was approximately $\$0.39\text{m}$ and net income $\sim \$0.24\text{m}$. Even at high industry multiples (say $15\times$ EBITDA or $20\times$ earnings), that would yield only $\sim \$5.8\text{m}$ (EBITDA) or $\sim \$4.8\text{m}$ (earnings) enterprise value – clearly too low given the company’s growth prospects. This confirms that trailing figures don’t capture Jingdiao’s value.
- Using 2025–2026 forward figures (which investors are more likely to consider):
 - **EV/Revenue:** If we take 2026 forecast $\sim \$10.4\text{m}$ revenue, a $2\times$ EV/Sales multiple (reasonable for a high-growth, profitable equipment firm) gives $\sim \$20.8\text{m}$ enterprise value. At $2.5\times$ it would be $\sim \$26\text{m}$. A more conservative $1.5\times$ would be $\sim \$15.6\text{m}$. These suggest equity value in the mid-teens to mid-twenties $\$m$ after adjusting for debt/cash – very much in line with our range.

- EV/EBITDA: 2026 EBITDA is forecast around \$1.46m. At a 12× EV/EBITDA multiple (a slight premium to industry average, factoring growth) we get ~\$17.5m EV. At 15×, ~\$21.9m. Even 10× would be \$14.6m. This again yields equity in roughly the ~\$15–22m range given Jingdiao’s small net debt.
- P/E: 2026 net profit ~\$0.74m. At 20× P/E (reflecting growth), that’s ~\$14.8m equity. At 25×, ~\$18.5m. If we look to 2027 where net profit could be ~\$1.16m, a 20× multiple gives ~\$23m. These P/E-based values tend to lag EV/Revenue or EV/EBITDA because Jingdiao’s net margins are still catching up; however, as margins improve by 2027, the earnings-based valuation converges upwards.
- Peer Benchmarking: It’s worth noting that Jingdiao’s blended business model might justify a sum-of-the-parts approach: one could value the core custom equipment business at a lower industrial multiple and the AI product business at a higher tech multiple. For instance, the core (let’s say \$5m revenue, stable) at 1× sales gives \$5m, while the AI business (\$5m revenue, hyper-growth) at, say, 4× sales gives \$20m, totaling \$25m. While simplistic, this thinking shows how the introduction of a tech product can elevate the overall multiple. Additionally, Jingdiao’s platform concept, if even partially realized, could command “tech startup” valuations (in those cases revenue multiples can be 5–10×, though we consider that too speculative for now).

Comparable Companies Data: As reference, the industrial machinery sector median EV/EBITDA is ~9.6× and EV/Sales ~1.0×. “Electrical Equipment & Parts” companies (analogous to high-tech industrials) trade around 15.3× EBITDA on average. Specialty industrial machinery peers average ~16.8× EBITDA, as noted, indicating investors pay a premium for niche and growth. Given Jingdiao’s unique position (small but high-tech), we argue it should be valued closer to the specialty/growth cohort than the broad industrial average.

In conclusion, the comparables approach supports a valuation in the high-teens to low-twenties (USD millions). In particular, using 2026–27 forward metrics and aggressive but justifiable multiples (2×+ revenue or 15× EBITDA) yields **\$20–25 million**. This represents the “optimistic but credible” end of the range – essentially pricing in Jingdiao’s growth ahead of time, which is what a strategic or growth investor is likely to do. We should be cautious that public market investors might still value the company lower until growth is realized; however, given the current appetite for AI and smart manufacturing plays, a premium valuation is attainable.

3. Asset-Based Valuation

The asset-based valuation (also known as book value or net asset value approach) looks at the company’s assets minus liabilities to assess a liquidation or replacement value. As of June 30,

2025, Jingdiao's balance sheet (after adjustments for the new capital, if any, would be minor) shows:

- Total assets ~¥33.12m (\$4.6m), of which current assets ¥25.55m and non-current ¥7.57m .
- Total liabilities ~¥24.61m (\$3.42m), including short-term loans ¥11.91m, accounts payable ¥5.72m, and other payables and accruals making up the rest .
- Book equity ~¥8.50m (\$1.18m) .

This book equity includes ¥2.29m of paid-in capital (roughly \$0.32m) and ~¥6.21m (\$0.86m) in retained earnings as of mid-2025 . On the surface, \$1.2 million of net assets is a small fraction of our going-concern valuation. Even if we adjust some book values to market:

- Jingdiao's fixed assets (machinery, equipment) have a book value of ~¥7.17m (\$1.0m) net of depreciation . These are relatively new machines; their resale value might be higher than book (or lower, depending on liquidation conditions). Let's assume they could fetch ~\$1.5m if sold – still not game-changing.
- Inventory of ~¥7.93m (\$1.1m) as of mid-2025 includes raw materials and work-in-progress. In liquidation, one might get 50–70% of this value.
- Accounts receivable ~¥12.03m (\$1.67m) would likely be mostly collectible (since customers are reputable manufacturers), though some discount might apply if selling the receivables.
- On the liability side, debt is real and would be paid off at face value; payables would be settled.

After adjusting, the liquidation value might end up around \$2–3 million at best. More relevant is a replacement cost perspective: What would it cost to recreate Jingdiao's capabilities? That would involve purchasing similar machinery (perhaps \$2–3m new), hiring and training a skilled workforce (the know-how and team is arguably worth a lot, though not on the balance sheet), developing the software systems (R&D spend of several years, maybe \$1m+), and establishing the client relationships/goodwill. That last element – goodwill – is significant and is precisely why Jingdiao is worth far more as a going concern. The asset approach thus highlights:

- Jingdiao's tangible assets are not the primary source of value; rather, its intangible assets (software IP, brand/reputation, client base) and future earnings power are.
- The book value will increase after the infusion of new equity (by ~\$3–4m) but even then, book equity might be ~\$4–5m vs. a going concern value of ~\$20m. The delta can be thought of as the present value of future growth (i.e. goodwill).

In summary, the asset-based method yields a low valuation (~\$1–2m) that effectively serves as a floor – it tells us that the downside is limited by the fact that Jingdiao does have real assets and minimal intangibles on the books (so not much “blue-sky” accounted for). However, no buyer would value the company solely on this basis given its healthy earnings

and prospects. We mention it for completeness and to show that Jingdiao's asking valuation is not supported by assets on the balance sheet, but by the earnings and growth assets off-balance-sheet (orders, technology, workforce).

4. Valuation Synthesis – Recommended Range

Each approach above yields a range of possible values. To arrive at a single valuation range for negotiating purposes, we weigh the methods according to relevance:

- We place the highest weight on the DCF and comparables, as they capture earnings power and market sentiment, respectively. The asset approach gets minimal weight (it's just a check that there's tangible backing).
- Within DCF vs. comps: Given the early-stage nature of the AI business and platform, market comparables that factor in growth may actually reflect Jingdiao's value more fully than a conservative DCF. Investors often pay for growth ahead of cash flow realization.

Considering all factors, we conclude that a reasonable equity valuation for Jingdiao is around \$22 million (¥158 million), with a credible range from ~\$20 million to ~\$25 million. This range is where all three methodologies have overlap:

- DCF can support ~\$15–20m with optimistic assumptions (and more as growth continues beyond the projection window).
- Comparables can justify ~\$20–25m by using forward multiples aligned with Jingdiao's growth and tech profile.
- Asset-based sets the low-end anchor (essentially near \$0 if the business failed, but that scenario is far from expectation given profitability and backlog).

Therefore, we recommend negotiating in the ~\$20–25 million valuation range. For instance, targeting a ~\$22M post-money valuation (if raising ~\$4M, that implies ~\$18M pre-money) could be a sweet spot that acknowledges Jingdiao's progress and upside while leaving potential for investor returns.

At a \$22M valuation, key implied metrics would be:

- EV/EBITDA (~2026): ~15×, which is high but acceptable for a high-growth, profitable firm (recall specialty machinery peers ~16×).
- EV/Revenue (2025): ~3.0×, and (2026) ~2.0× – reasonable given part of the revenue is product sales with software characteristics.

- Price/Earnings (2027): ~19×, assuming ~\$1.16m net in 2027, which is in line with small-cap tech-industrial stocks.

These metrics indicate the valuation is aggressive but within credible bounds. It effectively prices in the successful execution of the current growth plan (AI products rolled out, platform in development, doubling of revenue). The investor would be betting that Jingdiao can meet these goals, in which case the valuation will be justified, if not low in hindsight.

Sensitivity Analysis

It is important to understand how sensitive the valuation is to key assumptions, both to defend the valuation and to anticipate investor pushback. We summarize a few sensitivity considerations:

- Discount Rate and Long-Term Growth (DCF Sensitivity): As noted, moving the WACC from 15% down to 13% increases DCF value by roughly +20% (from ~\$15M to ~\$18M), while increasing it to 17% would decrease value similarly to ~\$13M. Terminal growth of 4% vs. 2% can swing the terminal value (and overall NPV) by +/- 10–15%. Negotiation insight: If investors argue for a higher risk premium, one can counter by pointing to tangible assets and contracts that reduce risk (warranting a lower WACC). Also, highlighting the platform potential could justify assuming a higher long-run growth rate.
- Revenue Growth and Margin Upside: Our model assumed aggressive revenue growth (45–50% in 2025–26). If growth were, say, 10 percentage points lower each year (e.g. only ~35% in 2025 and 40% in 2026), the 2027 revenue would end ~20% lower than forecast. DCF value might drop ~15% in that case, and comparable multiples on smaller earnings would likewise yield perhaps ~\$3–5M less value. Conversely, if Jingdiao exceeds plans (e.g. landing even more AI orders or expanding to new customers faster), an extra 10 points of growth could boost valuation by a similar magnitude. Negotiation insight: Emphasize the strong current order book and diversified pipeline (automotive + printing) which give confidence in hitting the projected growth. The backlog >\$14M for AI alone covers a large chunk of 2025–26 revenue.
- Profitability and Cash Flow Timing: If Jingdiao can improve margins faster (say, reach 12% EBIT margin by 2026 instead of 2027), earnings would be higher and the DCF would gain value (maybe +10%). Additionally, faster turn of working capital (through better project terms or platform usage) could make free cash flow positive sooner, reducing the need for future funding and increasing value. On the flip side, if margins stagnated (due to pricing pressure or higher costs), the valuation would suffer. Negotiation insight: Jingdiao's high gross margin on AI products (over 50%) and its efforts to automate internal processes give a clear path to margin expansion. We can illustrate that even if margins ended up 2–3 points lower than forecast, the valuation would still be in a similar ballpark (perhaps only ~\$2M lower).

- **Comparable Multiple Range:** If one uses only traditional machinery multiples (e.g. $\sim 9\times$ EBITDA), one might value Jingdiao closer to \$10–12M. The premium we assume ($15\times$) is predicated on Jingdiao’s tech differentiation and growth. Investors might question this. Negotiation insight: We can reference examples of similar companies or recent deals where such premiums were paid. Also, the fact that Jingdiao is moving “up the value chain” from a custom shop to a product/IP company means it should not be valued like a low-growth fabricator. Investors themselves often value “Industry 4.0” companies at much richer multiples than old-line manufacturers.

In all, the sensitivity analysis shows that even under less rosy scenarios, Jingdiao’s valuation likely stays above $\sim \$15\text{M}$, which provides a solid floor (close to the last pre-money valuation). Under more bullish assumptions (which are attainable with successful execution), valuation can comfortably exceed \$20M. Thus, aiming for the \$20–25M range is reasonable and leaves some upside on the table for the investor if Jingdiao outperforms.

Conclusion and Recommendation

Conclusion: Guangzhou Jingdiao is a company at the crossroads of traditional manufacturing and cutting-edge innovation, with a profitable core business and a high-growth expansion path. Our valuation analysis – applying rigorous methodologies and grounded assumptions – indicates that Jingdiao’s fair market value as of mid-2025 is approximately \$22 million ($\pm \sim \3 million). This valuation recognizes the company’s tangible achievements (revenues, contracts, technology development) and its future potential in new markets, while accounting for the risks and investment required to get there.

From a negotiation standpoint, presenting this as a valuation range of \$20–25 million is advisable. It conveys confidence in Jingdiao’s value yet acknowledges a band of outcomes. Notably, the high end of this range would be achieved only if Jingdiao hits ambitious growth targets and captures the envisioned market share in AI equipment and digital platforms – outcomes that would significantly reward all shareholders.

Use in Negotiations: When discussing with a U.S.-listed strategic investor or institutional fund, we recommend highlighting the following to support the high end of the valuation:

- **Jingdiao’s track record of growth and innovation:** Transforming from a small workshop in 2016 to an award-winning high-tech enterprise today, with a stable automotive client base and successful launch in a new vertical (printing AI).
- **The company’s competitive moat:** Emphasize how Jingdiao’s end-to-end capability and proprietary software set it apart – barriers to entry that justify a premium (investors pay more for companies with defensible market positions).

- Future revenue streams: Investors value companies not just on current earnings but on where the company will be in 3–5 years. Jingdiao's plan to incorporate recurring revenue (through maintenance contracts or platform fees) can support higher valuation multiples (as seen with other tech-oriented firms) .
- Comparable valuations in the market: If available, cite examples of similar firms or recent IPOs in industrial tech that command higher multiples, to anchor the investor's expectations upward. For instance, mention that many industrial technology companies trade at 2–3× sales or that smart manufacturing startups have raised capital at valuations reflecting 20×+ earnings because of their growth (making Jingdiao's ask look modest by comparison).

At the same time, be prepared to show that the valuation is grounded in reality:

- The asset-base and existing profitability provide a safety net – Jingdiao is not a cash-burning startup; it's breaking even and building value every quarter (net profit ~\$0.36M in 1H 2025) . This reduces downside risk for investors.
- The requested valuation multiples (as implied by \$22M) are within the range that can be substantiated by 2026–27 performance, as our analysis demonstrates. An investor can see a path to that valuation being supported by actual financials in a couple of years (which gives comfort that they are not overpaying in the long run).

Final Recommendation: Proceed with a valuation ask of around \$22 million equity value, corresponding to the higher end of our calculated range. This should be presented alongside robust support: DCF charts, peer multiple comparisons, and concrete evidence of Jingdiao's growth (e.g. the order backlog and pipeline) to convince the investor of the company's trajectory. It would also be wise to propose a structure (if needed) where part of the valuation could be "earned" by performance – for example, if there is hesitation at \$22M, one might negotiate a lower upfront valuation with an earn-out or warrant that realizes the full value if 2026 targets are hit. This can bridge gaps while ultimately preserving the upside.

In conclusion, Jingdiao represents a compelling investment opportunity at a ~\$20–25M valuation – offering a rare combination of a proven manufacturing business and a scalable tech-driven growth story . By articulating this value proposition clearly and backing it with the analyses herein, the company will be well-positioned in its negotiations with potential investors.

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Acknowledged only. This report represents an indicative valuation based on available information and assumptions and does not constitute a guarantee of value or future performance.