

# **Disclosure Statement Pursuant to the OTCID Basic Market**

## **Aqua Power Systems, Inc.**

2180 North Park Avenue  
Unit 200  
Winter Park, Florida, 32789

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(407) 674-9444

aquapowersystems@gmail.com  
SIC 4911

## **Quarterly Report**

**For the three months ended March 31, 2026 (the "Reporting Period")**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

17,204,180 as of March 31, 2026

17,204,180 as of December 31, 2025

### **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 Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

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<sup>4</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

We were originally incorporated in Nevada on December 9, 2010, as NC Solar Inc. with the goal of developing solar energy collection farms on commercial and/or industrial buildings located on distressed, blighted and/or underutilized commercial land in North Carolina and other southern states of the United States. On June 6, 2014, Management changed and in August of 2014 we changed our name to Aqua Power Systems Inc.

Aqua Power Systems Inc. has been domiciled in the state of Nevada since December 9, 2010. The Company is in good standing with the state of Nevada.

Current State and Date of Incorporation or Registration: Nevada  
Standing in this jurisdiction: (e.g. active, default, inactive): Active

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

The corporate history is provided in the previous section.

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

There have been no suspension orders from the Securities and Exchange Commission nor has any recognized regulatory body imposed additional restrictions on the transfer of stock.

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

As part of attempting to entirely consummate the Tradition Transportation acquisition, the Company was in the process of completing a Reg A registration statement. However, upon the realization that the acquisition of Tradition could not be entirely consummated, the Company has withdrawn its Registration Statement.

Address of the issuer's principal executive office:

2180 North Park Avenue  
Suite 200  
Winter Park, Florida, 32789

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:

On December 1, 2020, the Eight Judicial District Court of Nevada entered an order appointing Small Cap Compliance, LLC as custodian of the Company, authorizing and directing it to, among other things, take any action reasonable, prudent and for the benefit of the Company, including reinstating the Company under Nevada law, appointing officers and convening a meeting of stockholders. Small Cap Compliance, LLC was not a shareholder of the Company on the date that it applied to serve as a custodian of the Company.

On December 7, 2020, Small Cap Compliance, LLC filed the Certificate of Reinstatement for the Company, thereby reinstating the Company, appointed Stephen Carnes as the sole officer and director of the Company, and amended the Company's Certificate of Incorporation to authorize the issuance of one million shares of Series B Preferred Stock.

On March 3, 2021, the Eight Judicial District Court of Nevada entered an order approving Small Cap Compliance, LLC's actions, without prejudice to the claims of interested parties as to dilution of their interest, terminated Small Cap Compliance, LLC's custodianship of the Company, and discharged Small Cap Compliance as the custodian of the Company.

## 2) Security Information

### **Transfer Agent**

Name: VStock Transfer, LLC  
Phone: (212) 828-8436  
Email: [info@vstocktransfer.com](mailto:info@vstocktransfer.com)  
Address: 18 Lafayette Place, Woodmere, NY 11598

### **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:	APSI
Exact title and class of securities outstanding:	Common Stock
CUSIP:	03790A 105
Par or stated value:	\$0.0001
Total shares authorized:	200,000,000 as of date: March 31, 2026
Total shares outstanding:	17,204,180 as of date: March 31, 2026
Total number of shareholders of record:	5 as of date: March 31, 2026

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

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:	Series A Preferred Stock
Par or stated value:	\$0.001
Total shares authorized:	5,000,000 as of date: March 31, 2026
Total shares outstanding (if applicable):	0 as of date: March 31, 2026
Total number of shareholders of record:	0 as of date: March 31, 2026

Exact title and class of the security:	Series B Preferred Stock
Par or stated value:	\$0.001
Total shares authorized:	1,000,000 as of date: March 31, 2026
Total shares outstanding (if applicable):	750,000 as of date: March 31, 2026
Total number of shareholders of record:	3 as of date: March 31, 2026

Exact title and class of the security:	Undesignated Preferred Stock
Par or stated value:	\$0.001
Total shares authorized:	4,000,000 as of date: March 31, 2026
Total shares outstanding (if applicable):	0 as of date: March 31, 2026
Total number of shareholders of record:	0 as of date: March 31, 2026

**Note:** There are a total of 10,000,000 shares of preferred stock authorized, only 6,000,000 shares are currently designated (5 million Series A Preferred Stock – designation filed September 9, 2015, and 1 million Series B Preferred Stock – designation filed December 7, 2020).

**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.**

The Company has 200,000,000 authorized common shares with a par value of \$0.0001 per share. Each common share entitles the holder to one vote, in person or proxy, on any matter on which action of the stockholders of the corporation is sought.

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

The Company is authorized to issue a total of 10,000,000 shares of preferred stock.

There are 6,000,000 shares currently designated. A designation for 5,000,000 Series A Preferred Stock with a par value of \$0.001 was filed on September 9, 2015, and another designation for 1,000,000 Series B Preferred Stock with a par value of \$0.001 was filed on December 7, 2020.

There are currently no Series A Preferred shares issued and outstanding.

On December 7, 2020, 500,000 Series B Preferred shares were issued to Small Cap Compliance, LLC after the Eight Judicial District Court of Nevada entered an order appointing Small Cap Compliance, LLC as custodian of the Company, authorizing and directing it to, among other things, take any action reasonable, prudent and for the benefit of the Company, including reinstating the Company under Nevada law, appointing officers and convening a meeting of stockholders. Small Cap Compliance, LLC was not a shareholder of the Company on the date that it applied to serve as a custodian of the Company. On that same day, Small Cap Compliance, LLC filed the Certificate of Reinstatement for the Company, thereby reinstating the Company, appointed Stephen Carnes as the sole officer and director of the Company and amended the Company's Certificate of Incorporation to authorize the issuance of up to one million shares of Series B Preferred Stock.

On January 9, 2023, Stephen Carnes, the Company's CEO and President, submitted his resignation as CEO of the Company and the Company's Board of Directors simultaneously elected Robert Morris to be appointed as the Company's new CEO. The Company accepted Mr. Carnes's resignation as CEO simultaneously with Mr. Morris's acceptance of the appointment as CEO. Mr. Morris has been on the Company's Board of Directors since previously being appointed on April 27, 2022. Mr. Carnes shall remain on the Company's Board of Directors and remain the Company's President. On January 9, 2023, the Company also provided Mr. Morris with an employment agreement. As part of the agreement, the Company issued Mr. Morris 250,000 shares of the Company's Series B Preferred stock.

In addition, as part of an employment agreement on January 10, 2023, with Joseph Davis, as the Company's President and Treasurer, the Company accepted the relinquishment of 250,000 shares of the Company's Series B Preferred stock by Stephen Carnes, and on January 10, 2023, as part of the agreement, the Company issued Mr. Davis 250,000 shares of the Company's Series B Preferred stock.

#### *Preferred Class A Stock*

Each share of Preferred Class A Stock is entitled to one hundred (100) votes per share on all matters. Except as provided by law, the holders of shares of Preferred Class A Stock vote together with the holders of shares of Common Stock as a single class.

In addition, so long as any shares of Preferred Class A Stock remains outstanding, in addition to any other vote or consent of stockholders required by our certificate of incorporation, the company will not, without first obtaining the approval (by written consent, as provided by law or otherwise) of the holders of a majority of the then outstanding shares of Series A Preferred Stock, voting together as a class: (i) Increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A Preferred Stock; (ii) Effect an exchange reclassification, or cancellation of all or a part of the Series A Preferred Stock, but excluding a stock split or reverse stock split of the Company's Common Stock or Preferred Stock; (iii) Effect an exchange, or create a right of exchange, of all or part of the shares of another class of shares into shares of Series A Preferred Stock; or (iv) Alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely the shares of such series, including the rights set forth in this Designation. For clarification, issuances of additional authorized shares of Series A Preferred under the terms herein shall not require the authorization or approval of the existing shareholders of Preferred Stock.

The Company is not required to pay dividends at any specific rate on the Series A Preferred Stock.

In the event of any liquidation, dissolution, or winding up of the Company, either voluntarily or involuntarily, the holders of Class A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any assets of the Company to the holders of the junior stock by reason of their ownership of such stock, but not prior to any holders of the Company's senior securities, which holders shall have priority to the distribution of any assets of the Company, an amount per share for each share of Class A Preferred Stock held by them equal to the sum of the liquidation preference specified for each share of preferred stock. If upon the liquidation, dissolution or winding up of the Company, the assets of the Company legally available for distribution to the holders of the Class A Preferred Stock are insufficient to permit the payment to such holders of the full amounts of their liquidation preference, subsequent to the payment to the senior securities then the entire remaining assets of the Company following the payment to the senior securities legally available for distribution shall be distributed with equal priority and pro rata among holders of the Class A Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to their liquidation preference. The liquidation preference of Class A Preferred Stock shall be equal to the original issue price per share of Class A Preferred Stock, as adjusted for any recapitalizations.

Holders of Class A Preferred Stock shall have the right, exercisable at any time and from time to time (unless otherwise prohibited by law, rule or regulation), to convert any or all of their shares of the Class A Preferred Shares into Common Stock at the conversion ratio of (1) one Preferred A share to (100) one hundred common shares.

Holders of Preferred Class A Stock have no preemptive or subscription rights and there are no redemption or sinking fund provisions applicable to our Preferred Class A Stock.

### *Preferred Class B Stock*

Each share of Preferred Class B Stock is entitled to one thousand (1,000) votes per share on all matters. Except as provided by law, the holders of shares of Preferred Class B Stock vote together with the holders of shares of Common Stock as a single class.

The Preferred Class B Stock is not entitled to receive any dividends in any amount during which such shares are outstanding.

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, after setting apart or paying in full the preferential amounts due to holders of senior capital stock, if any, the holders of Preferred Class B Stock and parity capital stock, if any, shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of junior capital stock, including Common Stock, an amount equal to \$0.001 per share [the "Liquidation Preference"]. If upon such liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to the holders of the Preferred Class B Stock and parity capital stock, if any, shall be insufficient to permit in full the payment of the Liquidation Preference, then all such assets of the Company shall be distributed ratably among the holders of the Preferred Class B Stock and parity capital stock, if any. Neither the consolidation or merger of the Company nor the sale, lease or transfer by the Company of all or a part of its assets shall be deemed a liquidation, dissolution or winding up of the Company.

Each share of Preferred Class B Stock shall be convertible, at the option of the Holder, into 1,000 (One Thousand) fully paid and non-assessable shares of the Corporation's Common Stock. The aforementioned 1 to 1,000 ratio will be adjusted by stock splits, dividends, and distributions, and that adjustment will apply to reclassifications, consolidations, and mergers.

Holders of Preferred Class B Stock have no preemptive or subscription rights and there are no redemption or sinking fund provisions applicable to our Preferred Class B Stock.

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

None.

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

None.

### **3) Issuance History**

*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.***

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 <u>Opening Balance</u> :			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>1/1/2024</u> Common: <u>17,204,180</u> Preferred: <u>750,000</u>									
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.
-	-	-	-	-	-	-	-	-	-
Shares Outstanding on Date of This Report:									
Date <u>3/31/2026</u> <u>Ending Balances</u> Common: <u>17,204,180</u> Preferred: <u>750,000</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 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:

**B. Convertible Debt**

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

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

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion <sup>5</sup>	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
12/22/2022	\$225,000	\$298,664	12/31/2023	N/A	N/A	N/A	Stephen Carnes	Loan for acquisition
1/24/2023	\$30,000	\$39,551	12/31/2023	N/A	N/A	N/A	Stephen Carnes	Loan for Operating Expenses
8/9/2023	\$500,000	\$632,192	12/31/2023	N/A	N/A	N/A	Stephen Carnes	Loan for Operating Expenses
8/10/2023	\$500,000	\$632,055	9/28/2023	N/A	N/A	N/A	Starstream Entertainment, Inc. – Carla Rissell	Loan for Operating Expenses
9/19/2023	\$100,000	\$125,315	12/31/2023	N/A	N/A	N/A	Stephen Carnes	Loan for Operating Expenses
6/28/2024	\$6,000	\$6,000	6/28/2025	N/A	N/A	N/A	Stephen Carnes	Loan for Operating Expenses
7/1/2024	\$3,000	\$3,000	4/1/2025	N/A	N/A	N/A	Stephen Carnes	Loan for Operating Expenses
<b>Total Outstanding Balance:</b>		<b><u>\$1,736,777</u></b>	<b>Total Shares:</b>		<b>N/A</b>	<b>N/A</b>		

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

#### 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](http://www.OTCMarkets.com).

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

The Company was originally incorporated in Nevada on December 9, 2010, as NC Solar Inc. with the goal of developing solar energy collection farms on commercial and/or industrial buildings located on distressed, blighted and/or underutilized commercial land in North Carolina and other southern states of the United States. On June 6, 2014, management changed and, on August 12, 2014, the Company changed its name to Aqua Power Systems Inc.

On December 1, 2020, the Eight Judicial District Court of Nevada entered an order appointing Small Cap Compliance, LLC as custodian of the Company, authorizing and directing it to, among other things, take any action reasonable, prudent and for the benefit of the Company, including reinstating the Company under Nevada law, appointing officers and convening a meeting of stockholders. Small Cap Compliance, LLC was not a shareholder of the Company on the date that it applied to serve as a custodian of the Company.

On December 7, 2020, Small Cap Compliance, LLC filed the Certificate of Reinstatement for the Company, thereby reinstating the Company, appointed Stephen W. Carnes as the sole officer and director of the Company, and amended the Company's Certificate of Incorporation to authorize the issuance of up to one million shares of Series B Preferred Stock.

<sup>5</sup> The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

On March 3, 2021, the Eight Judicial District Court of Nevada entered an order approving Small Cap Compliance, LLC's actions, without prejudice to the claims of interested parties as to dilution of their interest, terminated Small Cap Compliance, LLC's custodianship of the Company, and discharged Small Cap Compliance as the custodian of the Company.

On April 27, 2022, Robert Morris and the board of directors of APSI agreed in a Unanimous Written Consent of the Board of Directors In Lieu of Special Meeting that Mr. Morris would become a director of APSI to help with acquisitions, effective May 1, 2022.

#### **Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On February 9, 2023, the Board of Directors of Aqua Power Systems, Inc. approved a change in the Company's fiscal year end from March 31 to a calendar year end of December 31. With this change, the financial reporting period ending December 31, 2022, will now be the Company's fiscal year end rather than the end of a financial quarter.

#### **Discontinuation of Tradition Transportation Integration**

Due to a series of events outside the control of Aqua Power Systems, Inc., ("APSI" or "Company") the Company relinquished any claims of ownership of the shares of its now-former subsidiary, Tradition Transportation Group Inc. ("TTG"), in accordance with the December 28, 2022, Stock Purchase and Sale Agreement and associated Amendments to that stock purchase agreement. The Stock Purchase Agreement and associated Notes were collateralized by the underlying shares of TTG being sold and held by the individuals named in the agreements as TTG selling shareholders. Subsequent to the original sale agreement dated December 28, 2022, Tradition's board of directors were never able to adequately provide auditable financials leading to a cascading series of events including the eventual decision and need for APSI to file a Form 15-12G Securities Registration Termination with the SEC. Perceived accounting irregularities within TTG had led to the eventual changing of the board at TTG and a changing of its officers. Further deterioration within TTG's operations in the later part of 2023 continued to place large burdens on TTG's ability to operate. TTG eventually began to take voluntary asset liquidation actions in order to satisfy various banking and debt obligations.

APSI worked diligently to pursue a Regulation A offering in order to meet obligations regarding the Notes and the Stock Purchase Agreement. APSI received Default Notifications from more than one of the TTG selling shareholders and based upon those notifications and the Company's inability to fulfill those obligations the Company therefore relinquished any and all claims of ownership of the TTG shares. Aqua Power Systems Inc. will from January 1, 2024, moving forward provide financial disclosures based solely upon Aqua Power Systems Inc. stand-alone financials and will neither reference nor include any financial data regarding Tradition Transportation Group, Inc.

APSI is presently and actively pursuing opportunities within the logistics and transportation industry.

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

None.

C. Describe the issuers' principal products or services.

See above description of business plan and operations.

#### **5) Issuer's Facilities**

*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.*

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

We maintain our principal executive office at 2180 North Park Ave, Suite 200, Winter Park, FL 32789, which is leased to us by Obduro, LLC. Obduro, LLC is owned by one of our directors Stephen W. Carnes. The space is a shared office space, which at the current time is suitable for the conduct of our business. This facility is on a month-to-month lease although it does not currently have any lease payment obligations.

## 6) All Officers, Directors, and Control Persons 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% Control person)	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)
Robert Morris	CEO, Director, >5% owner	Fort Wayne, Indiana	250,000	Series B Preferred	33.3%
Joseph Davis	President, Treasurer, >5% owner	Fort Wayne, Indiana	250,000	Series B Preferred	33.3%
Stephen W. Carnes	Director, >5% owner	Orlando, FL	250,000	Series B Preferred	33.3%
Phillip Securities HK Ltd Client A/C Control Person: Gary Leung	>10%	Hong Kong	2,245,383	Common Stock	13%
Kenneth Thomas	>5%	Elkridge, M	1,145,905	Common Stock	6.7%

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://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);

None noted.

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;

None noted.

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;

None noted.

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

None noted.

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.

None noted.

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.

None noted.

- 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.

### **APSI's Recent Legal Proceedings**

Timothy Evans and James Evans v. Tradition Transportation Group, Inc., Aqua Power Systems, Inc., Joseph Davis, Joseph Montel, Robert Morris, Stephen Carnes; Case No. 49D01-2310-PL-041340. This matter has been resolved in May 2024 – all parties involved agreed to drop the case.

A complaint for damages was filed on June 20, 2024, by Bulwark Capital, LLC vs. Robert Morris, Stephen Carnes, Aqua Power Systems, Inc. in the state of Indiana, Marion county superior court. This matter has been resolved – all parties involved agreed to drop the case.

## 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](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Name: Eric Newlan  
Firm: Newlan Law Firm, PLLC  
Address 1: 2201 Long Prairie Road – Suite 107-762  
Address 2: Flower Mound, Texas 75022  
Phone: 940-367-6154  
Email: eric@newlanpllc.com

### Accountant or Auditor

Name: n/a  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### Investor Relations

Name: n/a  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### *All other means of Investor Communication:*

X (Twitter): \_\_\_\_\_  
Discord: \_\_\_\_\_  
LinkedIn: \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ] \_\_\_\_\_

### Other Service Providers

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

Name: Peter Hellwig  
Firm: H-Squared Performance Financial  
Nature of Services: Consultant and Financial Report Preparation  
Address 1: 803 Clay Street  
Address 2: Fleming Island, FL 32003  
Phone: (904) 509-4227  
Email: peter@h2performancefinancial.com

## 9) Disclosure & Financial Information

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

Name: H-Squared Performance Financial/Peter Hellwig  
Title: Managing Partner  
Relationship to Issuer: Consultant

### 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: H-Squared Performance Financial/Peter Hellwig  
Title: Managing Partner  
Relationship to Issuer: Consultant

### Describe the qualifications of the person or persons who prepared the financial statements:<sup>6</sup>

Mr. Hellwig has served as the CFO (both internally and on a consultancy basis) to numerous private and public entities (both alternative reporting and fully reporting/QB companies) since 1995. He is a seasoned professional with intricate knowledge of the financial reporting requirements, compliance and financial report preparation in the public and private sectors.

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.

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<sup>6</sup> 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.

## 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:

*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:

I, Robert D. Morris certify that:

1. I have reviewed this Disclosure Statement for Aqua Power Systems, 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.

May 13, 2026

/s/ Robert D. Morris  
[CEO's Signature]

*Principal Financial Officer:*

I, Robert D. Morris certify that:

1. I have reviewed this Disclosure Statement for Aqua Power Systems, 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.

May 13, 2026

/s/ Robert D. Morris  
[CFO's Signature]

**AQUA POWER SYSTEMS, INC.**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2026 AND 2025**

	Pages
Balance Sheets as of March 31, 2026 and December 31, 2025 (Unaudited)	F-2
Statements of Operations for the three months ended March 31, 2026 and 2025 (Unaudited)	F-3
Statements of Shareholders' Equity for the three months ended March 31, 2026 and 2025 (Unaudited)	F-4
Statements of Cash flows for the three months ended March 31, 2026 and 2025 (Unaudited)	F-5
Notes to the Unaudited Financial Statements	F-6 to F-12

**AQUA POWER SYSTEMS, INC.**  
**BALANCE SHEETS**  
(Unaudited)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>	\$	\$
Cash	1,220	1,220
<b>Total Current Assets</b>	<u>1,220</u>	<u>1,220</u>
<b>Total Assets</b>	<u>\$ 1,220</u>	<u>\$ 1,220</u>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIENCY)</u></b>		
<b>Current Liabilities</b>		
Accrued expenses	102,000	96,000
Accrued expenses – related party	75,990	75,990
<b>Total Current Liabilities</b>	<u>177,990</u>	<u>171,990</u>
Note payable – other	500,000	500,000
Note payable - related party	864,000	864,000
Accrued interest - other	132,057	119,728
Accrued interest - related party	240,721	219,639
<b>Total Liabilities</b>	<u>1,914,768</u>	<u>1,875,357</u>
<b>Stockholders' Equity (Deficiency)</b>		
Undesignated Preferred Stock, \$0.001 par value, 4,000,000 shares authorized, at March 31, 2026 and December 31, 2025, there were none issued and outstanding.	–	–
Preferred A Stock, \$0.001 par value; 5,000,000 shares authorized, at March 31, 2026 and December 31, 2025, there were none issued and outstanding.	–	–
Preferred B Stock \$0.001 par value 1,000,000 shares authorized, at March 31, 2026 and December 31, 2025, there were 750,000 issued and outstanding.	750	750
Common stock, \$0.0001 par value; 200,000,000 shares authorized, at March 31, 2026 and December 31, 2025, there were 17,204,180 issued and outstanding.	1,720	1,720
Additional paid-in capital	653,920	653,920
Accumulated deficit	(2,569,938)	(2,530,527)
<b>Total Stockholders' Equity (Deficit)</b>	<u>(1,913,548)</u>	<u>(1,874,137)</u>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<u>\$ 1,220</u>	<u>\$ 1,220</u>

See accompanying notes to consolidated financial statements

**AQUA POWER SYSTEMS, INC.**  
**STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended March 31,	
	2026	2025
<b>Revenue</b>		
<b>Total Revenue</b>	-	-
<b>Cost of Revenue</b>	-	-
<b>Gross Profit</b>	-	-
<b>Operating Expenses</b>		
Rent	6,000	6,000
<b>Total Operating Expenses</b>	6,000	6,000
<b>Loss from Operations</b>	(24,000)	(6,000)
<b>Other Expense</b>		
Interest expense – other	(12,329)	(12,329)
Interest expense – related party	(21,082)	(21,082)
<b>Total Other Expense</b>	(33,411)	(33,411)
<b>Income (Loss) Before Income Taxes</b>	(39,411)	(39,411)
<b>Provision for Income Taxes</b>	-	-
<b>NET PROFIT (LOSS)</b>	(39,411)	(39,411)
<b>Net Loss Per Share – Basic and diluted</b>	(0.00)	(0.00)
<b>Weighted average number of shares outstanding – Basic</b>	17,204,180	17,204,180

See accompanying notes to consolidated financial statements

**AQUA POWER SYSTEMS, INC.**  
**STATEMENTS OF SHAREHOLDERS' DEFICIT**  
(Unaudited)

**For the three ended March 31, 2026 and 2025**

	<u>Series A Preferred</u>		<u>Series B Preferred</u>		<u>Common Stock</u>		<u>Additional Paid-In Capital (\$)</u>	<u>Accumulated Deficit (\$)</u>	<u>Total Stockholders' Equity/ (Deficit) (\$)</u>
	<u>Shares</u>	<u>Amount (\$)</u>	<u>Shares</u>	<u>Amount (\$)</u>	<u>Shares</u>	<u>Amount (\$)</u>			
<b>Balance</b>									
<b>December 31, 2024</b>	–	–	750,000	750	17,204,180	1,720	653,920	(2,371,026)	(1,714,636)
Net loss	–	–	–	–	–	–	–	(39,411)	(39,411)
<b>Balance</b>									
<b>March 31, 2025</b>	–	–	750,000	750	17,204,180	1,720	653,920	(2,410,437)	(1,754,047)

	<u>Series A Preferred</u>		<u>Series B Preferred</u>		<u>Common Stock</u>		<u>Additional Paid-In Capital (\$)</u>	<u>Accumulated Deficit (\$)</u>	<u>Total Stockholders' Equity/ (Deficit) (\$)</u>
	<u>Shares</u>	<u>Amount (\$)</u>	<u>Shares</u>	<u>Amount (\$)</u>	<u>Shares</u>	<u>Amount (\$)</u>			
<b>Balance</b>									
<b>December 31, 2025</b>	–	–	750,000	750	17,204,180	1,720	653,920	(2,530,527)	(1,874,137)
Net loss	–	–	–	–	–	–	–	(39,411)	(39,411)
<b>Balance</b>									
<b>March 31, 2026</b>	–	–	750,000	750	17,204,180	1,720	653,920	(2,569,938)	(1,913,548)

See accompanying notes to consolidated financial statements

**AQUA POWER SYSTEMS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

**For the Three Months Ended  
March 31,**

	<b>2026</b>	<b>2025</b>
<b>Cash Flows From Operating Activities:</b>		
Net Profit (Loss)	\$ (39,411)	\$ (39,411)
Adjustments to reconcile net loss to net cash used in operations	-	-
Changes in operating assets and liabilities:		
Accrued expenses	6,000	6,000
Accrued interest – related party	21,082	21,082
Accrued interest – other	12,329	12,329
<b>Net Cash Provided By (Used In) Operating Activities:</b>	<b>-</b>	<b>-</b>
<b>Cash Flows From Investing Activities:</b>		
<b>Net Cash Provided By (Used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from notes payable – related party	-	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash</b>	<b>-</b>	<b>-</b>
Cash at Beginning of Period	1,220	1,220
<b>Cash at End of Period</b>	<b>\$ 1,220</b>	<b>\$ 1,220</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
	\$ -	\$ -

See accompanying notes to consolidated financial statements

**AQUA POWER SYSTEMS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2026 and 2025**  
**(Unaudited)**

**NOTE 1 – ORGANIZATION AND BUSINESS**

**Organizational History of the Company**

The Company was originally incorporated in Nevada on December 9, 2010, as NC Solar Inc. with the goal of developing solar energy collection farms on commercial and/or industrial buildings located on distressed, blighted and/or underutilized commercial land in North Carolina and other southern states of the United States. On June 6, 2014, management changed and, on August 12, 2014, the Company changed its name to Aqua Power Systems Inc.

On December 1, 2020, the Eight Judicial District Court of Nevada entered an order appointing Small Cap Compliance, LLC as custodian of the Company, authorizing and directing it to, among other things, take any action reasonable, prudent and for the benefit of the Company, including reinstating the Company under Nevada law, appointing officers and convening a meeting of stockholders. Small Cap Compliance, LLC was not a shareholder of the Company on the date that it applied to serve as a custodian of the Company.

On December 7, 2020, Small Cap Compliance, LLC filed the Certificate of Reinstatement for the Company, thereby reinstating the Company, appointed Stephen W. Carnes as the sole officer and director of the Company, and amended the Company's Certificate of Incorporation to authorize the issuance of up to one million shares of Series B Preferred Stock.

On March 3, 2021, the Eight Judicial District Court of Nevada entered an order approving Small Cap Compliance, LLC's actions, without prejudice to the claims of interested parties as to dilution of their interest, terminated Small Cap Compliance, LLC's custodianship of the Company, and discharged Small Cap Compliance as the custodian of the Company.

On April 27, 2022, Robert Morris and the board of directors of APSI agreed in a Unanimous Written Consent of the Board of Directors In Lieu of Special Meeting that Mr. Morris would become a director of APSI to help with acquisitions, effective May 1, 2022.

**Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On February 9, 2023, the Board of Directors of Aqua Power Systems, Inc. approved a change in the Company's fiscal year end from March 31 to a calendar year end of December 31. The change will not affect nor impact the Company's actual financial results; however, the annual report will coincide with the calendar year-end.

**Discontinuation of Tradition Transportation Integration**

Due to a series of events outside the control of Aqua Power Systems, Inc., ("APSI" or "Company") the Company relinquished any claims of ownership of the shares of its now-former subsidiary, Tradition Transportation Group Inc. ("TTG"), in accordance with the December 28, 2022, Stock Purchase and Sale Agreement and associated Amendments to that stock purchase agreement. The Stock Purchase Agreement and associated Notes were collateralized by the underlying shares of TTG being sold and held by the individuals named in the agreements as TTG selling shareholders. Subsequent to the original sale agreement dated December 28, 2022, Tradition's board of directors were never able to adequately provide auditable financials leading to a cascading series of events including the eventual decision and need for APSI to file a Form 15-12G Securities Registration Termination with the SEC. Perceived accounting irregularities within TTG had led to the eventual changing of the board at TTG and a changing of its officers. Further deterioration within TTG's operations in the later part of 2023 continued to place large burdens on TTG's ability to operate. TTG eventually began to take voluntary asset liquidation actions in order to satisfy various banking and debt obligations.

APSI worked diligently to pursue a Regulation A offering in order to meet obligations regarding the Notes and the Stock Purchase Agreement. APSI received Default Notifications from more than one of the TTG selling shareholders and based upon those notifications and the Company's inability to fulfill those obligations the Company therefore relinquished any and all claims of ownership of the TTG shares. Aqua Power Systems Inc. will from January 1, 2024, moving forward provide financial disclosures based solely upon Aqua Power Systems Inc. stand-alone financials and will neither reference nor include any financial data regarding Tradition Transportation Group, Inc.

APSI is presently and actively pursuing opportunities within the logistics and transportation industry.

## **NOTE 2 – GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has generated no revenues at the three months ended March 31, 2026, has an accumulated deficit of \$2,569,938 and a working capital deficit \$176,770. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon, among other things, its ability to generate revenues and its ability to obtain capital from third parties. No assurance can be given that the Company will be successful in these efforts.

Management plans to identify adequate sources of funding to provide operating capital for continued growth.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## **NOTE 3 – 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 ("GAAP"). The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that (1) recorded transactions are valid; (2) valid transactions are recorded; and (3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

The Company accounts for cash and cash equivalents under FASB ASC 305, "*Cash and Cash Equivalents*", and considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

### **Convertible Instruments**

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815 "*Derivatives and Hedging Activities*".

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

## Deferred Income Taxes and Valuation Allowance

The Company accounts for income taxes under ASC 740 Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities 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 on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. No deferred tax assets or liabilities were recognized at March 31, 2026.

## Financial Instruments

“Fair Value Measurements and Disclosures,” defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

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

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

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2026. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments.

## Long-lived Assets

Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets. We did not recognize any impairment losses for any periods presented. As of March 31, 2026, the Company does not have any Long-Lived Assets.

## Property and Equipment

The Company follows ASC 360, *Property, Plant, and Equipment*, for its fixed assets. Equipment is stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets (3 years). As of March 31, 2026, the Company did not have any Fixed Assets.

## Related Parties

The Company follows ASC 850, “*Related Party Disclosures*,” for the identification of related parties and disclosure of related party transactions. The Company has received funds from one of its officers, and leases office space from an entity that is controlled by a Director of the Company.

## Stock-Based Compensation

FASB ASC 718 “*Compensation – Stock Compensation*,” prescribes accounting and reporting standards for all stock-based payments award to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights, may be classified as either equity or liabilities. The Company determines if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (a) the option to settle by issuing equity instruments lacks commercial substance or (b) the present obligation is implied because of an entity’s past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505-50 “*Equity – Based Payments to Non-Employees*.” Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date. As of March 31, 2026, the Company did not have any stock-based transactions.

## Earnings (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted income (loss) per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the exercise of stock options and warrants and upon the conversion of notes. In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation.

## Recently Issued Accounting Pronouncements

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

## **NOTE 4 – DISCONTINUED OPERATIONS**

Due to a series of events outside the control of Aqua Power Systems, Inc., (“APSI” or “Company”) the Company relinquished any claims of ownership of the shares of its now-former subsidiary, Tradition Transportation Group Inc. (“TTG”), in accordance with the December 28, 2022, Stock Purchase and Sale Agreement and associated Amendments to that stock purchase agreement. The Stock Purchase Agreement and associated Notes were collateralized by the underlying shares of TTG being sold and held by the individuals named in the agreements as TTG selling shareholders. Subsequent to the original sale agreement dated December 28, 2022, Tradition’s board of directors were never able to adequately provide auditable financials leading to a cascading series of events including the eventual decision and need for APSI to file a Form 15-12G Securities Registration Termination with the SEC. Perceived accounting irregularities within TTG had led to the eventual changing of the board at TTG and a changing of its officers. Further deterioration within TTG’s operations in the later part of 2023 continued to place large burdens on TTG’s ability to operate. TTG eventually began to take voluntary asset liquidation actions in order to satisfy various banking and debt obligations.

## **NOTE 5 – NOTES PAYABLE – RELATED PARTIES**

On December 22, 2022, the Company issued a promissory note with a principal amount of \$225,000 to Stephen Carnes, a director of the Company. The promissory note has a maturity date of December 31, 2023, and bears interest at 10% per annum. Interest expense for the three months ended March 31, 2026 and 2025, was \$5,548 and \$5,548, respectively. The total accrued interest at March 31, 2026 and December 31, 2025, is \$73,664 and \$68,116, respectively.

On January 24, 2023, the Company issued a promissory note with a principal amount of \$30,000 to Stephen Carnes, a director of the Company. The promissory note has a maturity date of December 31, 2023, and bears interest at 10% per annum. Interest expense for the three months ended March 31, 2026 and 2025, was \$740 and \$740, respectively. The total accrued interest at March 31, 2026 and December 31, 2025, is \$9,551 and \$8,811, respectively.

On August 9, 2023, the Company issued a promissory note with a principal amount of \$500,000 to Stephen Carnes, a director of the Company. The promissory note has a maturity date of December 31, 2023, and bears interest at 10% per annum. Interest expense for the three months ended March 31, 2026 and 2025, was \$12,329 and \$12,329, respectively. The total accrued interest at March 31, 2026 and December 31, 2025, is \$132,192 and \$119,863, respectively.

On September 19, 2023, the Company issued a promissory note with a principal amount of \$100,000 to Stephen Carnes, a director of the Company. The promissory note has a maturity date of December 31, 2023, and bears interest at 10% per annum. Interest expense for the three months ended March 31, 2026 and 2025, was \$2,466 and \$2,466, respectively. The total accrued interest at March 31, 2026 and December 31, 2025, is \$25,315 and \$22,849, respectively.

#### **NOTE 6 – NOTES PAYABLE**

On January 24, 2023, the Company issued a promissory note with a principal amount of \$500,000 to Starstream Entertainment, Inc. The promissory note has a maturity date of December 31, 2023, and bears interest at 10% per annum. Interest expense for the three months ended March 31, 2026 and 2025, was \$12,329 and \$12,329, respectively. The total accrued interest at March 31, 2026 and December 31, 2025, is \$132,055 and \$119,726, respectively.

#### **NOTE 7 – SHAREHOLDERS' EQUITY**

##### **Common Stock**

The Company has 200,000,000 authorized common shares with a par value of \$0.0001 per share. Each common share entitles the holder to one vote, in person or proxy, on any matter on which action of the stockholders of the corporation is sought.

At March 31, 2026 and December 31, 2025, there are 17,204,180 shares of common shares issued and outstanding.

On April 22, 2021, the Company issued 100,000 shares of its Common Stock in return for an investment of \$200,000 via a Subscription Agreement.

During September 2021, as a result of a court order, the Company canceled a total of 9,020,138 shares of its common stock. Specifically, 6,330,138 of these shares were held by Silverton SA as disclosed in prior filings and canceled on September 22, 2021, and 2,690,000 of these shares were held by Paramount Trading Company and canceled on September 24, 2021.

On November 4, 2021, the Company filed a lawsuit for declaratory relief, seeking an order declaring void 32,942,624 shares of its common stock that were held Mr. Tadashi Ishikawa, the former CEO of the Company. On May 19, 2022, the Court ruled that the Motion for Entry of Default Final Judgement was granted and the Court declared the 32,942,624 shares of common stock in APSI issued to Tadashi Ishikawa, held in Book Entry, void and cancelled.

##### **Preferred Stock**

The Company is authorized to a total of 10,000,000 shares of preferred stock.

There are 6,000,000 shares currently designated. A designation for 5,000,000 Series A Preferred Stock with a par value of \$0.001 was filed on September 9, 2015, and another designation for 1,000,000 Series B Preferred Stock with a par value of \$0.001 was filed on December 7, 2020.

At March 31, 2026 and December 31, 2025, there are no Series A Preferred shares issued and outstanding.

At March 31, 2026 and December 31, 2025, there are 750,000 shares of Series B Preferred shares issued and outstanding.

On December 7, 2020, 500,000 Series B Preferred shares were issued to Small Cap Compliance, LLC after the Eight Judicial District Court of Nevada entered an order appointing Small Cap Compliance, LLC as custodian of the Company, authorizing and directing it to, among other things, take any action reasonable, prudent and for the benefit of the Company, including reinstating the Company under Nevada law, appointing officers and convening a meeting of stockholders. Small Cap Compliance, LLC was not a shareholder

of the Company on the date that it applied to serve as a custodian of the Company. On that same day, Small Cap Compliance, LLC filed the Certificate of Reinstatement for the Company, thereby reinstating the Company, appointed Stephen Carnes as the sole officer and director of the Company and amended the Company's Certificate of Incorporation to authorize the issuance of up to one million shares of Series B Preferred Stock.

On January 9, 2023, Stephen Carnes, the Company's CEO and President, submitted his resignation as CEO of the Company and the Company's Board of Directors simultaneously elected Robert Morris to be appointed as the Company's new CEO. The Company accepted Mr. Carnes's resignation as CEO simultaneously with Mr. Morris's acceptance of the appointment as CEO. Mr. Morris has been on the Company's Board of Directors since previously being appointed on April 27, 2022. Mr. Carnes shall remain on the Company's Board of Directors and remain the Company's President. On January 9, 2023, the Company also provided Mr. Morris with an employment agreement. As part of the agreement, the Company issued Mr. Morris 250,000 shares of the Company's Series B Preferred stock.

In addition, as part of an employment agreement on January 10, 2023, with Joseph Davis, as the Company's President and Treasurer, the Company accepted the relinquishment of 250,000 shares of the Company's Series B Preferred stock by Stephen Carnes, and on January 10, 2023, as part of the agreement, the Company issued Mr. Davis 250,000 shares of the Company's Series B Preferred stock.

#### *Preferred Class A Stock*

Each share of Preferred Class A Stock is entitled to one hundred (100) votes per share on all matters. Except as provided by law, the holders of shares of Preferred Class A Stock vote together with the holders of shares of Common Stock as a single class.

In addition, so long as any shares of Preferred Class A Stock remains outstanding, in addition to any other vote or consent of stockholders required by our certificate of incorporation, the company will not, without first obtaining the approval (by written consent, as provided by law or otherwise) of the holders of a majority of the then outstanding shares of Series A Preferred Stock, voting together as a class: (i) Increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A Preferred Stock; (ii) Effect an exchange reclassification, or cancellation of all or a part of the Series A Preferred Stock, but excluding a stock split or reverse stock split of the Company's Common Stock or Preferred Stock; (iii) Effect an exchange, or create a right of exchange, of all or part of the shares of another class of shares into shares of Series A Preferred Stock; or (iv) Alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely the shares of such series, including the rights set forth in this Designation. For clarification, issuances of additional authorized shares of Series A Preferred under the terms herein shall not require the authorization or approval of the existing shareholders of Preferred Stock.

The Company is not required to pay dividends at any specific rate on the Series A Preferred Stock.

In the event of any liquidation, dissolution, or winding up of the Company, either voluntarily or involuntarily, the holders of Class A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any assets of the Company to the holders of the junior stock by reason of their ownership of such stock, but not prior to any holders of the Company's senior securities, which holders shall have priority to the distribution of any assets of the Company, an amount per share for each share of Class A Preferred Stock held by them equal to the sum of the liquidation preference specified for each share of preferred stock. If upon the liquidation, dissolution or winding up of the Company, the assets of the Company legally available for distribution to the holders of the Class A Preferred Stock are insufficient to permit the payment to such holders of the full amounts of their liquidation preference, subsequent to the payment to the senior securities then the entire remaining assets of the Company following the payment to the senior securities legally available for distribution shall be distributed with equal priority and pro rata among holders of the Class A Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to their liquidation preference. The liquidation preference of Class A Preferred Stock shall be equal to the original issue price per share of Class A Preferred Stock, as adjusted for any recapitalizations.

Holders of Class A Preferred Stock shall have the right, exercisable at any time and from time to time (unless otherwise prohibited by law, rule or regulation), to convert any or all of their shares of the Class A Preferred Shares into Common Stock at the conversion ratio of (1) one Preferred A share to (100) one hundred common shares.

Holders of Preferred Class A Stock have no preemptive or subscription rights and there are no redemption or sinking fund provisions applicable to our Preferred Class A Stock.

### *Preferred Class B Stock*

Each share of Preferred Class B Stock is entitled to one thousand (1,000) votes per share on all matters. Except as provided by law, the holders of shares of Preferred Class B Stock vote together with the holders of shares of Common Stock as a single class.

The Preferred Class B Stock is not entitled to receive any dividends in any amount during which such shares are outstanding.

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, after setting apart or paying in full the preferential amounts due to holders of senior capital stock, if any, the holders of Preferred Class B Stock and parity capital stock, if any, shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of junior capital stock, including Common Stock, an amount equal to \$0.001 per share [the "Liquidation Preference"]. If upon such liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to the holders of the Preferred Class B Stock and parity capital stock, if any, shall be insufficient to permit in full the payment of the Liquidation Preference, then all such assets of the Company shall be distributed ratably among the holders of the Preferred Class B Stock and parity capital stock, if any. Neither the consolidation or merger of the Company nor the sale, lease or transfer by the Company of all or a part of its assets shall be deemed a liquidation, dissolution or winding up of the Company.

Each share of Preferred Class B Stock shall be convertible, at the option of the Holder, into 1,000 (One Thousand) fully paid and non-assessable shares of the Corporation's Common Stock. The aforementioned 1 to 1,000 ratio will be adjusted by stock splits, dividends, and distributions, and that adjustment will apply to reclassifications, consolidations, and mergers.

Holders of Preferred Class B Stock have no preemptive or subscription rights and there are no redemption or sinking fund provisions applicable to our Preferred Class B Stock.

### **NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date these financial statements were available to be issued. Based on our evaluation, there are no material events that have occurred that require further disclosure.