IPE Universal Inc.

610 Hawkcrest Circle Sacramento, CA 95835
+1-702-506-0868
www.IPEuniversal.com
info@IPEuniversal.com

Quarterly Report

July 1, 2026 to September 30, 2026 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

260,110,780 as of September 30, 2026 (Current Reporting Period Date)

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[5] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[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.

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

Current name of issuer: IPE Universal Inc.

Predecessor / old name(s) and name-change date(s):
Infinite Possibility, Inc. → IPE Universal Inc. (Name Change: 10/21/2020)

Address of issuer：

- Principal Address: 610 Hawkcrest Circle, Sacramento, CA 95835
- Mailing Address: 1752 Ainsdale Drive, Roseville, CA 95747

Current State and Date of Incorporation or Registration

- State: Wyoming
- Date of Incorporation / Filing Date: 10/14/2020 (9:25 AM)
- Entity type: Profit Corporation

Standing in this jurisdiction: Active

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

- Formed in Wyoming on 10/14/2020 (Filing ID: 2020-000951605).
- Name change: Infinite Possibility, Inc. → IPE Universal Inc. (10/21/2020).
- Merger – Survivor: 10/28/2020**;** non-survivor entity: Keynes Technology Co. Ltd (Nevada).
- Amendment history: RA Address Change 06/30/2021; Common Amendments 10/22/2021 and 11/12/2021**.**

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

None

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:

None

Address of the issuer's principal executive office:
610 Hawkcrest Circle, Sacramento, CA 95835

Address of the issuer's principal place of business:
610 Hawkcrest Circle, Sacramento, CA 95835

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: Madison Stock Transfer Inc.
Phone: 718-627-44653
Email: info@madisonstocktransfer.com
Address: Address: 2500 Coney Island Ave, Brooklyn, NY 11223

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:	IPEU
Exact title and class of securities outstanding:	Common Stock (publicly traded equity)
CUSIP:	46263L108
Par or stated value:	12
Total shares authorized:	Unlimited as of date:09/30/2026
Total shares outstanding:	260,110,780 as of date:09/30/2026
Total number of shareholders of record:	316 as of date:09/30/2026

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

None

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:	Special 2020 Series A Convertible Preferred Stock
Par or stated value:	0.001
Total shares authorized:	Unlimited as of date:09/30/2026
Total shares outstanding:	50,000,000 as of date:09/30/2026
Total number of shareholders of record:	3 as of date: 09/30/2026

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Other than the Special 2020 Series A Convertible Preferred Stock listed above, no additional non-symbol equity.

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.

N/A

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

Preferred stock conversion, voting is 5 to 1.

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**.*

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 Opening Balance: Date _____ Common: _____ Preferred: _____			*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.**
Shares Outstanding on Date of This Report: Ending Balance: Date _____ Common: _____ Preferred: _____									

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:

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[6]	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
Total Outstanding Balance:				**Total Shares:**				

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

N/A

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")

IPE Universal Inc. (IPEU) business plan is providing educational program , products, services and technological products such as software related to educational services, toys and games as well as entertainment Licensing rights to use Art and characters.

.

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

[6] 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.

N/A

C. Describe the issuers' principal products or services.

Educational program , products, services and technological products such as software related to educational services, toys and games, stationary, backpacks, accessories, t-shirts, hats and many other products.

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.

N/A. The issuer's principal executive office is located at 610 Hawkcrest Circle, Sacramento, CA 95835.

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)
Mei Lin Liu	Secretary	Roseville, CA	0		
Hsiang-Lin Yen	Director	Kaohsiung, Taiwan	0		
Chien Chih Liu	CEO	Sacramento, CA	0		
Yu Nien Hsiung	≥ 5% beneficial owner	New Taipei City, Taiwan	20,000,000	Common	7.6%
TOTOTO Co., LTD Yu Nien Hsiung	≥ 5% beneficial owner	New Taipei City, Taiwan	69,592,920	Common	26.7%
Yu Chen Sheng	≥ 5% beneficial owner	Taipei, Taiwan	15,000,000	Common	5.7%

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);

None

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

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

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

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

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

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

Name:	Richard W. Jones
Address 1:	750 Hammond Dr. Building 12, Suite 100
Address 2:	Atlanta, Georgia 30328, USA
Phone:	+1-770-804-0500
Email:	jones@corplaw.net

Accountant or Auditor

Name:	Lee Yu-Lin
Firm:	Trust Net CPA Firm
Address 1:	6F-2, No. 37, Sec. 2, Sanmin Rd., Banquiao Dist.
Address 2:	New Taipei City, Taiwan
Phone:	+886-2-2957-5555
Email:	service@trust-net.com.tw

9) Disclosure & Financial Information

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

Name:	Chien Chih Liu
Title:	CEO
Relationship to Issuer:	Principal Executive Officer / Officer of the Issuer

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:	Lee Yu-Lin
Title:	CPA
Relationship to Issuer:	Independent Accounting Firm

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

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:

I, Chien Chih Liu certify that:

1. I have reviewed this Disclosure Statement for IPE Universal 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.

September 30, 2026



/s/Chien Chih Liu

IPE UNIVERSAL INC.

QUARTERLY FINANCIAL STATEMENTS

Quarter Ended September 30, 2026

For the three months ended September 30, 2026 and 2025 | Unaudited | U.S. Dollars

CONDENSED BALANCE SHEETS

As of September 30, 2026 and September 30, 2025

	September 30, 2026	September 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 5,806,012.11	$ 5,718,554.73
Short-term investments	-	-
Net receivables	-	-
Inventory	-	-
Other current assets	-	-
Total current assets	**$ 5,806,012.11**	**$ 5,718,554.73**
Long-term assets		
Long-term investments	-	-
Property, plant and equipment	-	-
Goodwill	-	-
Intangible assets	-	-
Other assets	-	-
Total assets	**$ 5,806,012.11**	**$ 5,718,554.73**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	-	-
Short-term and current long-term debt	-	-
Other liabilities	-	-
Total current liabilities	**-**	**-**
Long-term liabilities		
Long-term debt	-	-
Other liabilities	-	-
Total liabilities	**-**	**-**
Stockholders' equity		
Accumulated equity at beginning of period	$ 5,800,983.84	$ 4,203,681.35
Net income for the period	$ 5,028.27	$ 1,514,873.38
Total stockholders' equity	**$ 5,806,012.11**	**$ 5,718,554.73**
Total liabilities & stockholders' equity	**$ 5,806,012.11**	**$ 5,718,554.73**

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

IPE UNIVERSAL INC.

QUARTERLY FINANCIAL STATEMENTS

Quarter Ended September 30, 2026

For the three months ended September 30, 2026 and 2025 | Unaudited | U.S. Dollars

STATEMENTS OF COMPREHENSIVE INCOME

Three months ended September 30, 2026 and 2025

	2026	2025
REVENUES		
Total revenue	$ 295,780.50	$ 2,685,643.88
Cost of revenue	$ 65,071.71	$ 483,415.90
Gross profit	**$ 230,708.79**	**$ 2,202,227.98**
OPERATING EXPENSES		
Research and development	-	-
Sales, general and administrative	$ 224,793.18	$ 420,024.00
Other operating expenses	-	-
Total operating expenses	**$ 224,793.18**	**$ 420,024.00**
Operating income	**$ 5,915.61**	**$ 1,782,203.98**
Additional income / expense items	-	-
Interest expense	-	-
Income before tax	**$ 5,915.61**	**$ 1,782,203.98**
Income tax expense	$ 887.34	$ 267,330.60
Net income	**$ 5,028.27**	**$ 1,514,873.38**
Discontinued operations	-	-
Extraordinary operations	-	-
Effect of accounting changes	-	-
Comprehensive income	**$ 5,028.27**	**$ 1,514,873.38**

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

IPE UNIVERSAL INC.

QUARTERLY FINANCIAL STATEMENTS

Quarter Ended September 30, 2026

For the three months ended September 30, 2026 and 2025 | Unaudited | U.S. Dollars

STATEMENTS OF CASH FLOWS

Three months ended September 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income after taxes	$ 5,028.27	$ 1,514,873.38
Depreciation	-	-
Adjustments to net income	-	-
Changes in liabilities	-	-
Changes in accounts receivables	-	-
Changes in inventories	-	-
Changes in other operating activities	-	-
Total cash flow from operating activities	**$ 5,028.27**	**$ 1,514,873.38**
INVESTING ACTIVITIES		
Capital expenditures	-	-
Investments	-	-
Other cash flows from investing activities	-	-
Total cash flow from investing activities	**-**	**-**
FINANCING ACTIVITIES		
Dividends paid	-	-
Sale / purchase of stock	-	-
Net borrowings	-	-
Other cash flows from financing activities	-	-
Total cash flow from financing activities	**-**	**-**
Effect of exchange rate changes	-	-
Change in cash and cash equivalents	**$ 5,028.27**	**$ 1,514,873.38**
Cash & cash equivalents - beginning of period	$ 5,800,983.84	$ 4,203,681.35
Cash & cash equivalents - end of period	**$ 5,806,012.11**	**$ 5,718,554.73**

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

IPE UNIVERSAL INC.

QUARTERLY FINANCIAL STATEMENTS

Quarter Ended September 30, 2026

For the three months ended September 30, 2026 and 2025 | Unaudited | U.S. Dollars

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Three months ended September 30, 2026 and 2025

Common shares outstanding at September 30, 2026: 260,110,780 shares.

	2026	2025
Balance at beginning of period	$ 5,800,983.84	$ 4,203,681.35
Net income for the period	$ 5,028.27	$ 1,514,873.38
Stock issuances / repurchases recorded in equity	-	-
Dividends / distributions	-	-
Other equity adjustments	-	-
Balance at end of period	**$ 5,806,012.11**	**$ 5,718,554.73**

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

IPE UNIVERSAL INC.

QUARTERLY FINANCIAL STATEMENTS

Quarter Ended September 30, 2026

Notes to Financial Statements | Unaudited | U.S. Dollars

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF BUSINESS AND ORGANIZATION

Organization and description of business The Company is principally engaged in high-tech business developing early childhood education software systems, with its main market share located in China and Taiwan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with US GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities in the balance sheet, and the reported revenue and expenses during the periods reported. Actual results may differ from these estimates.

Going Concern

The Company’s ability to continue as a going concern is dependent upon improving its profitability and the continuing financial support from its shareholders. Management believes the existing shareholders or external financing will provide the additional cash to meet the Company’s obligations as they become due. Despite the amount of funds that we have raised, no assurance can be given that any future financing, if needed, will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, if needed, it may contain undue restrictions on its operations, in the case of debt financing, or cause substantial dilution for its stockholders, in the case of equity financing.

Cash and cash equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

Accounts Receivable

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. The Company extends credit to its customers in the normal course of business and generally does not require collateral. The Company’s credit terms are dependent upon the segment, and the customer. The Company assesses the probability of collection from each customer at the outset of the arrangement based on a number of factors, including the customer’s payment history and its current creditworthiness. If in management’s judgment collection is not probable, the Company does not record revenue until the uncertainty is removed.

Management performs ongoing credit evaluations, and the Company maintains an allowance for potential credit losses based upon its loss history and its aging analysis. The allowance for doubtful accounts is the Company’s best estimate of the amount of credit losses in existing accounts receivable.

Management reviews the allowance for doubtful accounts each reporting period based on a detailed analysis of trade receivables. In the analysis, management primarily considers the age of the customer’s receivable, and also considers the creditworthiness of the customer, the economic conditions of the customer’s industry, general economic conditions and trends, and the business relationship and history with its customers, among other factors. If any of these factors change, the Company may also change its original estimates, which could impact the level of the Company’s future allowance for doubtful accounts. If judgments regarding the collectability of receivables were incorrect, adjustments to the allowance may be required, which would reduce profitability.

Accounts receivable are recognized and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful accounts receivable is made when collection of the full amount is no longer probable. Bad debts are written off as identified.

Revenue Recognition

Revenue is generated through sale of goods and delivery services. Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods and services. The Company applies the following five-step model in order to determine this amount:

(i) identification of the promised goods and services in the contract;
(ii) determination of whether the promised goods and services are performance obligations, including whether they are distinct in the context of the contract;
(iii) measurement of the transaction price, including the constraint on variable consideration;
(iv) allocation of the transaction price to the performance obligations; and
(v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606). Under Topic 606, the Company records revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable. The Company records revenue upon the delivery of goods and services to the individual and enterprise customers, which is when title and risk and rewards of ownership have passed to the individual and enterprise customers, and when collectability is reasonably assured. When the

collectability is not reasonably assured, the revenue will not be recorded until payments are collected. Discounts provided were records as deduction of net sales.

Earnings Per Share

The Company reports earnings per share in accordance with ASC 260 "Earnings Per Share", which requires presentation of basic and diluted earnings per share in conjunction with the disclosure of the methodology used in computing such earnings per share. Basic earnings per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average common shares outstanding during the period. Diluted earnings per share takes into account the potential dilution that could occur if securities or other contracts to issue common stock were exercised and converted into common stock. Further, if the number of common shares outstanding increases as a result of a stock dividend or stock split or decreases as a result of a reverse stock split, the computations of a basic and diluted earnings per share shall be adjusted retroactively for all periods presented to reflect that change in capital structure.

The Company's basic earnings per share is computed by dividing the net income available to holders by the weighted average number of the Company's ordinary shares outstanding. Diluted earnings per share reflects the amount of net income available to each ordinary share outstanding during the period plus the number of additional shares that would have been outstanding if potentially dilutive securities had been issued.

Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

Income Taxes

The Company accounts for income taxes using the asset and liability method prescribed by ASC 740 "Income Taxes". Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the years in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

New U.S. federal tax legislation, commonly referred to as the Tax Cuts and Jobs Act (the "U.S. Tax Reform"), was signed into law on December 22, 2017. The U.S. Tax Reform modified the U.S. Internal Revenue Code by, among other things, reducing the statutory U.S. federal corporate income tax rate from 35% to 21% for taxable years beginning after December 31, 2017; limiting and/or eliminating many business deductions; migrating the U.S. to a territorial tax system with a one-time transaction tax on a mandatory deemed repatriation of previously deferred foreign earnings of certain foreign subsidiaries; subject to certain limitations, generally eliminating U.S. corporate income tax on dividends from foreign subsidiaries; and providing for new taxes on certain foreign earnings. Taxpayers may elect to pay the one-time transition tax over eight years, or in a single lump-sum payment.

Fair Value Measurement

Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures", which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The statement clarifies that the exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and that market participant assumptions include assumptions about risk and effect of a restriction on the sale or use of an asset.

This ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Comprehensive Income

Comprehensive income is defined as the change in equity of the Company during a period from transactions, and other events and circumstances excluding those resulting from investments by and distributions to shareholders. Accumulated other comprehensive income (loss), as presented on the accompanying balance sheets, only consists of cumulative foreign currency translation adjustment.