

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

GIFA, INC.

Dr Fazil Kucuk Boulevard

Hamitkoy Junction

Lefkosa, Northern Cyprus

Mersin 10, Turkey 99010

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www.gifainc

info@gifainc.net

7370

Quarterly Report For the Period Ending: March 31, 2022 (the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was: 111,931,844.

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 111,931,844.

As of September 30, 2021, the number of shares outstanding of our Common Stock was: 69,931,844.

As of December 31, 2020, the number of shares outstanding of our Common Stock was: 160,931,844.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

Firefish, Inc. April 29, 2008
GIFA, Inc., as of October 17, 2017

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Nevada, status: Active

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

None

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

None

The address(es) of the issuer's principal executive office:

Dr Fazil Kukuk Boulevard
Hamitkoy Junction
Lefkosa, Northern Cyprus
Mersin 10, Turkey 99010

The address(es) of the issuer's principal place of business:

Check box 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?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below.

2) Security Information

Trading symbol:	GIFX
Exact title and class of securities outstanding:	Common Stock
CUSIP:	31816P 103
Par or stated value:	\$0.001

Total shares authorized:	500,000,000 as of March 31, 2022
Total shares outstanding:	111,931,844 as of March 31, 2022

Number of shares in the Public Float²: 39,587,344 as of March 31, 2022
Total number of shareholders of record: 45 as of March 31, 2022

All additional class(es) of publicly traded securities (if any): N/A

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

Transfer Agent

Pacific Stock Transfer Co.
6725 Via Austi Parkway
Suite 300
Las Vegas, NV 89119
800-785-7782
www.pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening</u> <u>Balance</u> Date: <u>December 31, 2019</u> Common: <u>160,931,844</u> Preferred: <u>0</u>	*Right-click the rows below and select "Insert" to add rows as needed.
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² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

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 (entities must have individual with voting / investment control disclosed).	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.
September 28, 2021	Cancellation Shares	1,000,000	common	\$.001	No	Hulya Sonmez	Debt	Restricted	<u>4(a)(2)</u>
September 28, 2021	Cancellation Shares	90,000,000	common	\$.001	No	Ilksen Yesilada	Debt	Restricted	<u>4(a)(2)</u>
October 26, 2021	New issuance	40,000,000	common	\$.001	No	Aygun Antas	Services	Restricted	<u>4(a)(2)</u>
April 22, 2022	New issuance	1,000,000	Preferred A	\$.001	No	Yusuf Kisa	Pursuant to Reorganization Agreement	Restricted	<u>4(a)(2)</u>
Shares Outstanding on Date of This Report:									
Ending Balance									
Ending Balance:									
Date: March 31, 2022									
Common: 111,931,844									
Preferred: 1,000,000									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

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

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Berman Hopkins CPAs & Associates, LLP
Title: CPA
Relationship to Issuer: Third-part Service Provider

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
D. Statement of Income;
E. Statement of Cash Flows;
F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
G. Financial notes; and
H. Audit letter, if audited.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

- A. Quarterly Report – Financial Information and Financial Footnotes – Incorporated by Reference to the Consolidated Financial Statements and Notes thereto for the quarter ended March 31, 2022 posted separately on OTC Markets May 16, 2021 under the name Quarterly Report – CONSOLIDATED FINANCIAL STATEMENTS March 31, 2022.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

Overview

GIFA, Inc. was incorporated in the State of Nevada on April 29, 2008 under the name "Firefish, Inc." Beginning in September 2017, the Company underwent a series of transactions that resulted in a change of control and a corporate reorganization of the Company. On September 30, 2018, the Company concluded these series of reorganizational transactions by divesting control a previous wholly-owned subsidiary of the Company (FireFish Networks Private Limited) and acquiring 100% of Gifa Holding Limited, a company organized under the laws of the Turkish Republic of Northern Cyprus.

Gifa, Inc. Business Post-Change of Control and Reorganization (Principal Products and Services)

After the acquisition of GIFA Holding Limited ("GIFA Holding"), the business of the Company became the business of GIFA Holding. (Unless context indicated otherwise, references to "we", "us", "our", or "the Company" or "GIFA" below refer to GIFA Holding and the Company on a consolidated basis.)

GIFA Holding aims to be a pioneering firm working alongside and in collaboration with variety of international corporations across the globe. It seeks to be a major financing broker & international trading company providing financial & banking services to clients across different continents.

The Company (through GIFA Holding) works with clients to develop sustainable business strategies and to deliver innovative concepts and solutions along the entire value supply demand chain by aiming to improve our clients' performance and market position, from strategy to measurable results.

The Company is eager to accommodate and facilitate all types of supply and demands requirements, from source (any global locations) to clients, including raw and refined materials, goods and services.

GIFA Inc. (through GIFA Holding) offers a range of comprehensive products and services including, but not limited to, the following:

- i. Financial services and consultancy, brokerage, business loans, project funding, crowdfunding advice and consultancy to private clients (individual and corporate clients).
- ii. Personal and professional business development and investment advice to private clients.
- iii. End-to-End Supply and Demand Chain Management – controlling and coordinating supply of

materials to a wide range of entities that are globally involved in producing and delivering goods and services. GIFA Holding facilitates the supply and delivery of raw materials, finished products, goods, equipment and services shipping and delivery for manufacturers of gas and industrial equipment (i.e. PIPE - Generator – PUMP – Turbine – Valves – Fitting & Flange), manufacturers of agricultural equipment, industrial chemical producers, as well as many other types of businesses.

- iv. Travel & Tourism & Cargo - wide spectrum of activities and services in Transport, Travel, and Tourism, ranging from cargo transportation and logistics to shipping and chartering and from airline representation to corporate and leisure travel.
- v. Media (News and Marketing) - ownership under GIFA Holding of;
 1. Yeni Bakis Newspaper
 2. Yeni Bakis WebTV
- vi. Grandex Finance Ltd (acquired by GIFA Holding Ltd.) (<https://grandexfinance.com/>)
 1. Offers consultancy, one-to-one advice, assistance and support to local businesses as well as opportunity to access international finance.
 2. Provides local businesses and individuals small loans

The Company is currently operating and providing services to its' clients from the headquarters of GIFA Holding (Dr Fazil Kucuk Boulevard, Hamitkoy Junction, Lefkosa, Northern Cyprus, 99040). Much of our income and profits are derived from charging commissions on transactions of our clients that we have facilitated through our broad range of services. Our Company takes pride in simplification, harmonization and automation of all international trade procedures, particularly import and export procedures, transit requirements and procedures which are applied at all stages of all import and export transactions.

Along with receiving much recognition for our work in business, supporting small as well as medium to large businesses, we are renowned for having a strong moral compass, strong commitment to corporate social responsibility programs, giving back to the community and taking an environmental corporate social responsibility to reduce any damaging effects on the environment from business' processes.

Over the years, we have built close working relationship with prominent names in politics and media, and has been commended on its generous donations made to charities, fundraising events, sponsorship of athletes, civil society organizations and such activities and events.

GIFA is underpinned by has strong business ethics initiatives such as "Fair Trade" to ensure that a larger share of the final price of products GIFA is involved with provides fair returns to its producers, including farmers.

We pride ourselves in building customer relationships based on trust, respect, transparency and fairness.

Development of GIFA Token (GIFX) Project – in which the Company has no ownership of at this time

Mr. Kisa has been financing, and developing the GIFA Token Project (GIFX), a virtual currency Token, since September 2020, under the management and guidance of GIFA Holding Ltd. Mr. Kisa is the 100% owner of GIFX at this time. ***Neither the Company nor GIFA Holding Ltd. has any ownership whatsoever in GIFX at this time.*** Once fully developed and considered a viable business venture, GIFX is intended to be assigned by Mr. Kisa to a special purpose vehicle, that has not yet been formed and that is intended to own GIFX 100%. After formation, it is planned that the special purpose vehicle will be acquired by, and become a subsidiary of GIFA Holding Ltd.

Mr. Kisa has also been financing, and developing the GIFA Exchange Platform, which is intended to serve as a trading platform for the GIFA Token, as a fungible and tradable digital asset, under the management and guidance of GIFA Holding Ltd. Mr. Kisa is the 100% owner of the GIFA Exchange Platform at this time. ***Neither the Company nor GIFA Holding Ltd. has any ownership whatsoever in the GIFA Exchange Platform at this time.*** The GIFA Exchange Platform is intended to be assigned by Mr. Kisa to a special purpose vehicle, that has yet to be formed and that is intended to own the GIFA Exchange Platform 100%. After formation, it is planned that the special purpose vehicle will be acquired by, and become a subsidiary of GIFA Holding Ltd.

After the intended acquisition of GIFX and the GIFA Exchange Platform, it is intended that the Company will reimburse Mr. Kisa for all amounts spent by him for the development of GIFX and the GIFA Exchange Platform.

Additionally, after the intended acquisition of GIFX and the GIFA Exchange Platform, we intend to use the GIFA Token in order to help finance and crowdfund real estate projects. Mr. Kisa, with the assistance of GIFA Holding Ltd., has been working with third-party developers, Crypto Marketing and PR Agencies, in order to create, distribute, sell and circulate the GIFA Token through an initial coin offering (ICO) process, which involves a crowdfunding exercise to fund project development and future projects. This has not yet occurred, and is only in the developmental stages.

At this time, no revenue has been generated by either GIFX or the GIFA Exchange Program. However, there is one protocol in place that has been signed at this time.

The protocol process involved reserving a pre-determined number of GIFA Tokens, allocated to a particular real estate project owner, on the basis of the needs of their particular real estate project. We believe that this can enable the real estate project owner to crowdfund the real estate transaction or purpose (eg. construction finance), using GIFA Tokens. In other words, it is intended that people can purchase the GIFA Tokens from the real estate owner in exchange for a stake in the real estate project itself. Once an individual or entity purchases a certain sum of GIFA Tokens from the real estate project owner, the sum of tokens can be transferred to a pre-registered digital GIFA wallet of the purchaser ('Crowdfunder'). The proceeds from the sale are then intended to be transferred to the real estate project owner to finance the construction of their real estate project, with a percentage of the sum received allotted to the GIFA Token Project. The percentage has not yet been decided.

Thus far, Mr. Kisa, under the guidance of GIFA Holding Ltd., has arranged for a 'Protocol Agreement' between GIFA Token (Party 1) AND Stone Arch Retirement Villages Ltd. (Party 2), whereby we have allocated (blocked) 85 million GIFA Tokens. We believe this would enable Party 2, Stone Arch Retirement Villages Ltd., to be able to use the reserved number of pre-agreed GIFA Tokens to raise funding for their project.

Although Protocol (1) has been signed, the real estate project owners of the Project Stone Arch Retirement Villages are yet to complete each stage of their own planning process. However, it is anticipated that the project should be ready for launch in the final quarter of 2022. Until the project is build ready (i.e. the necessary planning requirements are met and clear construction timelines are set), the 'crowdsale' of the GIFA Tokens cannot commence and no funds can be transferred. Notwithstanding, the 85 million GIFA Tokens allocated under Protocol (1) remain on reserve at this time.

Proceeds from such potential sales, if any, are planned to be reflected fully in the future financials of the Company once the GIFA Token Project is operational and fully integrated into the overall GIFA Holding Ltd. group structure as further described above.

The White Paper, together with our business plan and marketing strategy, has been prepared by private crypto consultants and blockchain development experts and we believe that it demonstrates how we plan on achieving optimal results once the GIFA Token Project is fully developed and ready for launch.

The GIFA Exchange Platform is intended to offer users (located in jurisdictions where the platform may legally operate) Crypto exchange and trading services, for the GIFA Token, as well as other Crypto tokens and Crypto coins. We believe that users will benefit from such tools as with trade portfolios, risk management, market analytics and reporting tools. We believe it can be ready and fully operational by early August 2022.

Each user and subscriber to the GIFA Token and GIFA Exchange Platform must satisfy know-your-customer ("KYC") and anti-money laundering ("AML") requirements. Considering the ever-changing regulatory reality facing the digital currency space, our company will seek to ensure that necessary compliance measures and protocols are accounted for and implemented prior to launch.

Once fully developed, it is planned that the GIFA Exchange Platform will only be made available in jurisdictions, which satisfy a full review of legal and regulatory regimes, on a country and state level (as applicable). In the United States, for example, we have considered the legal and regulatory framework for digital currencies overseen by the U.S. Securities and Exchange Commission (SEC), the U.S. Commodity Futures Trading Commission (CFTC), the Financial Crimes Enforcement Network (FinCEN), the Office of Foreign Asset Control (OFAC) of the U.S. Treasury Department, as well as federal banking regulators.

We are continuously observing and learning how different nations approach token, coin and exchange regulations, and staying up-to-date on any upcoming legislations which could alter our compliance obligations in each prospective jurisdiction. On March 9, 2022, President Biden signed an executive order on cryptocurrencies entitled "Ensuring Responsible Development of Digital Assets" and issued with an accompanying fact sheet, regarding the U.S. government's strategy for digital assets, defined to include cryptocurrencies and other forms of exchange that are recorded on the blockchain. Citing the need for the federal government to address the role of digital assets in the financial system, the executive order represents the first whole-of-government approach to the benefits and risks of digital assets. It is a general policy statement that reflects the views of the administration, as opposed to a specific proposal for regulation. While the executive order did not mandate any specific regulations, it instructs various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. Central Bank digital currency. Accordingly, depending on the rules, regulations and laws stemming from this executive order, it may have a substantive effect on our current and planned operations. Digital assets currently face an uncertain regulatory landscape in not only the United States, but also abroad. Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability, but such change could be substantial and adverse to us.

There can be no assurance that the foregoing plans regarding GIFX or the GIFA Exchange Program can be completed as planned or at all.

B. Please list any subsidiaries, parents, or affiliated companies.

Gifa, Inc. has one direct, wholly-owned subsidiary, which is GIFA Holding Limited. In addition, GIFA Holding Limited has a number of all majority-owned and controlled subsidiaries of the Company.

Gifa Holding Limited's consolidated subsidiaries, each of which is located in Turkish Republic of Northern Cyprus ("TRNC"), are:

- *Grandex Finance Ltd.:* Offers consultancy, one-to-one advice, assistance and support to local businesses as well as opportunity to access international finance.
- *Gifa Consulting Limited:* The principal business activity of this company is to assist its clients in the preparation of their business plans in support of their financing applications.
- *Gifaland Theme Park Limited:* The objective of this company is to construct and manage a theme park. Currently the company is completing the construction of the Group's headquarters.

- *Gifa Retirement Homes Limited:* This company is currently involved in two major projects: (i) A complex aimed at constructing and managing a complex with medical facilities for advanced aged living (ii) A children's hospital (pediatrics)
- *Gifa Nektar Import & Export Limited:* This Company is currently negotiating with a manufacturer of citrus fruit juice producer with the intent of exporting the products.
- *Grandex Finance Ltd.* as its wholly-owned subsidiary.
- *Yeni Bakis Ltd. was incorporated in TRNC on October 6, 2014 for the purpose of producing the "Yeni Bakis" daily newspaper.*
- *Gifa Air Ltd. was incorporated in TRNC on December 15, 2014 for the purpose of providing travel agency services.*
- *Gifa Green Island Finance Ltd. is a dormant entity.*
- *HSB Corporation Consultants Ltd., an entity that provides consulting services.*
- *GIFA Petroleum Ltd.*

C. Describe the issuers' principal products or services.

See above.

6) Issuer's Facilities

The goal of this section is to provide a potential investor 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, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

We do not own any property, real or otherwise. Our principal office is located at Dr Fazil Kucuk Boulevard, Hamitkoy Junction, Lefkosa, Northern Cyprus, Mersin 10, Turkey 99010, which serves as our principal headquarters and is owned by GIFA Holding. Our primary operations are conducted from this location.

On October 21, 2017, the Company entered into a Sale Agreement to purchase land and buildings on approximately 2,025 square meters located in Hamitkoy, Lefkosa, for the purchase price of £2,000,000. During 2017, £100,000 deposit was paid. However, because the subject matter real estate is mortgaged by the seller, the case is referred to the local courts and a decision was made for the mortgage to be paid at the latest by June 7, 2018 and that the Company is to pay for the purchase £2,030,000 (\$2,743, 501 U.S. Dollars) including interest.

As of March 31, 2022 the mortgage on the subject property still remains outstanding and the seller is in the process of selling another property to settle all outstanding debts. Once settled, the title deeds of the said property will be transferred to the name of the Company. At present, the Company's right of ownership is by way of an 'Official Sale Purchase Agreement'.

As of March 31, 2022, the breakdown of expenditure on real estate was as follows:

- Purchase price \$2,555,876
- Capitalized interest \$175,692
- Construction cost \$9,006,482

During the three months ended March 31, 2022, we did not invest in real estate mortgages, nor did we invest in any securities of, or interests in persons engaged in real estate activities.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor 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 shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

As of March 31, 2022, the persons or entities owning 5% or more of any class of the Company's securities, as well as any officer, and any director of the company, or any person that performs a similar function, was as follows:

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Yusuf Kisa</u>	CEO, Sole Director, President, Principal Financial Officer	Dr Fazil Kucuk Boulevard Hamitkoy Junction Lefkosa, Northern Cyprus Mersin 10, Turkey 99010	1,000,000	Preferred Stock	100%	
Aygun Antas	Secretary	Dr Fazil Kucuk Boulevard Hamitkoy Junction Lefkosa, Northern Cyprus Mersin 10, Turkey 99010	40,000,000	N/A	36.386%	

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. 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, or banking activities;

N/A

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

N/A

4. The entry 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.

N/A

- 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 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.

On July 9, 2021, the President and a Director of our Company, Yusuf Kisa, was arrested by TRNC Police and charged with violating a newly amended law No 43/2020 (Law on Leasing, Factoring and Financing Companies and the Prevention of Usury) & the Law No 62/2017 (Banking Law of The TRNC) requiring all companies to ensure their memorandum of articles of association and all of their publications (online or offline) were in compliance with the mentioned laws and regulations.

It was considered by the authorities that both the GIFA Holding Limited and Grandex Finance Ltd. were non-compliant with the aforementioned laws.

While the Company generally is responsive to changes in TRNC, our accountant who is generally responsible for overseeing such matters had recently suffered a stroke leading up to this period and had to spend significant time at a rehabilitation hospital.

Following the arrest of Mr. Kisa, Mr. Kisa was requested to attend a court hearing on July 12, 2021. The TRNC Lefkosa District Court ordered that all necessary applications considered as violation of the relevant laws (as stated above) be corrected within 45 days of the date of the order (July 13th, 2021). Such changes include, among other things, amendments to both Gifa Holding Limited and Grandex Finance Ltd's articles of association.

Mr. Kisa was ordered to be released upon provision of surety bond on the same date.

Gifa Holding Limited and Grandex Finance Ltd have formally adopted the necessary amendments requested by the court. Mr. Kisa is now awaiting the courts to confirm full compliance with and fulfilment of any obligation of the lawful order of the court and seek the dismissal of the case.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Laura Anthony, Esq.
Anthony L.G., PLLC
625 N. Flagler Drive, Ste, 600
West Palm Beach, FL 33401 561-514-0936
Email: LAnthony@AnthonyPLLC.com

Accountant or Auditor

Berman Hopkins CPAs & Associates, LLP
8035 Spyglass Hill Rd
Melbourne, Florida 32940
(321) 757-2020 INFO@BERMANHOPKINS.COM

Investor Relations

(N/A)

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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, Yusuf Kisa certify that:

1. I have reviewed this 1. I have reviewed this quarterly statement of GIFA, 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 16, 2022

/s/ Yusuf Kisa

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

Principal Financial Officer:

I, Yusuf Kisa certify that:

1. I have reviewed this quarterly statement of GIFA, 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 16, 2022

/s/ Yusuf Kisa

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

GIFA, INC.

**CONSOLIDATED
FINANCIAL STATEMENTS**

**For the three months ended
March 31, 2022 and year ended
December 31, 2021**



BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

255 South Orange Ave #1200
Orlando, FL 32801

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Gifa, Inc.

CONSOLIDATED BALANCE SHEETS

For the years ended,

	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,528,024	\$ 7,580,197
Other receivables	162,896	162,896
Receivables from shareholders, current	815,560	815,560
Value added tax recoverable	85,344	85,344
	<u>5,591,824</u>	<u>8,643,997</u>
Non-current assets		
Property, plant and equipment, net	294,441	345,268
Intangible assets, net	45,717	45,717
Receivables from related entities	827,428	1,078,960
Receivables from shareholders, less current portion	1,301,163	1,301,163
Construction in progress	11,738,050	11,738,050
	<u>14,206,799</u>	<u>14,509,158</u>
Total assets	<u><u>\$ 19,798,623</u></u>	<u><u>\$ 23,153,155</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other liabilities	\$ 278,532	\$ 604,559
Corporation tax liability	-	-
	<u>278,532</u>	<u>604,559</u>
Non-current liabilities		
Payables to related entity	3,455,544	7,472,900
Total liabilities	<u>3,734,076</u>	<u>8,077,459</u>
Commitments and contingencies	<u>-</u>	<u>-</u>
Stockholders' equity		
Gifa, Inc. stockholders' equity		
Common stock \$.001 par value-		
160,931,844 shares issued and outstanding		
(March 31, 2021 and June 30, 2021)	-	-
160,931,844 shares issued and 69,931,844		
outstanding (September 30, 2021)	160,932	160,932
Treasury shares - 91,000,000		-
Accumulated other comprehensive loss	(1,825,424)	(1,825,424)
Additional paid-in-capital	11,517,833	11,517,833
Retained earnings	6,211,206	5,222,355
Total stockholders' equity	<u>16,064,547</u>	<u>15,075,696</u>
Total liabilities and stockholders' equity	<u><u>\$ 19,798,623</u></u>	<u><u>\$ 23,153,155</u></u>

We do not provide any assurance on these financial statements.

Gifa, Inc.

CONSOLIDATED STATEMENT OF INCOME

For the periods ended,

	For the three months ended March 31, 2022	Year ended December 31, 2021
Revenue		
Income from third parties	\$ 1,139,875	\$ 4,096,379
Cost of services	191,490	147,300
Gross profit	<u>948,385</u>	<u>3,949,079</u>
Expenses		
General and administrative expenses	677,107	1,432,987
Depreciation and amortization expenses	50,827	39,098
Advertising expenses	41,600	32,000
	<u>769,534</u>	<u>1,504,085</u>
Operating income	<u>178,851</u>	<u>2,444,994</u>
Other income (expense)		
Foreign currency exchange gain/(loss), net	-	-
Other income	-	185,000
Interest income	810,000	-
	<u>810,000</u>	<u>185,000</u>
Income before corporation tax	988,851	2,629,994
Corporation tax expense	-	-
Net Income	<u><u>\$ 988,851</u></u>	<u><u>\$ 2,629,994</u></u>
Net income (loss) per share basic and diluted:		
Net income attributable to stockholders per share (US Dollars)	<u><u>\$ 0.014</u></u>	<u><u>\$ 0.019</u></u>
Weighted average shares outstanding:		
Basic and diluted	<u><u>69,931,844</u></u>	<u><u>137,246,912</u></u>

We do not provide any assurance on these financial statements.

Gifa, Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND STATEMENTS OF STOCKHOLDERS' EQUITY

For the three months ended March 31,

Consolidated Statements of Stockholders' Equity

	Common stock Shares	Common stock Amount	Treasury stock Shares	Treasury stock Amount	Additional Paid-in-Capital	Accumulated other comprehensive loss	Retained earnings	Total stockholders' equity
Balance at January 1, 2021	\$ 160,931,844	\$ 160,932	\$ 91,000,000	\$ -	\$ 8,517,833	\$ (1,825,424)	\$ 2,592,361	\$ 100,445,702
Net income (loss)	-	-	-	-	-	-	2,629,994	2,629,994
Capital contributions	-	-	-	-	3,000,000	-	-	3,000,000
Cumulative translation adjustment	-	-	-	-	-	-	-	-
Balance at January 1, 2022	\$ 160,931,844	\$ 160,932	\$ 91,000,000	\$ -	\$ 11,517,833	\$ (1,825,424)	\$ 5,222,355	\$ 106,075,696
Net income (loss)	-	-	-	-	-	-	988,851	988,851
Capital contributions	-	-	-	-	-	-	-	-
Cumulative translation adjustment	-	-	-	-	-	-	-	-
Balance at March 31, 2022	<u>\$ 160,931,844</u>	<u>\$ 160,932</u>	<u>\$ 91,000,000</u>	<u>\$ -</u>	<u>\$ 11,517,833</u>	<u>\$ (1,825,424)</u>	<u>\$ 6,211,206</u>	<u>\$ 107,064,547</u>

We do not provide any assurance on these financial statements.

Gifa, Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the periods ended,

	For the three months ended March 31, 2022	Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 988,851	\$ 2,777,294
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50,827	39,098
Effect of exchange rate changes on cash and cash equivalents	-	-
Changes in operating assets and liabilities		
(Increase)/decrease in current assets	-	9
Increase/(decrease) in accounts payable and other liabilities	(326,000)	326,000
Increase in current corporation tax payable	-	-
Net cash provided by operating activities	<u>713,678</u>	<u>3,142,401</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of property, plant and equipment	<u>-</u>	<u>(53,098)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Increase)/decrease in receivables from related entities	251,505	1,435,834
Capital contributions	-	3,000,000
(Increase)/decrease in payables from related entities	<u>(4,017,356)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(3,765,851)</u>	<u>4,435,834</u>
Net increase (decrease) in cash and cash equivalents	(3,052,173)	7,525,137
Cash and cash equivalents at beginning of period	<u>7,580,197</u>	<u>55,060</u>
Cash and cash equivalents at end of period	<u><u>\$ 4,528,024</u></u>	<u><u>\$ 7,580,197</u></u>

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - BACKGROUND

Gifa, Inc. (SYMBOL: "GIFX") is a Nevada corporation incorporated on April 29, 2008 (the "Company"). On September 30, 2018, Gifa, Inc. acquired nearly all of the outstanding capital stock of the Gifa Holding Limited, a limited liability registered in the Turkish Republic of Northern Cyprus. The acquisition was accomplished via the Company's issuance of certain shares of its newly designated Series A Voting Preferred Stock in exchange for nearly all of the outstanding common stock of Gifa Holding Limited in a tax-free acquisition. As a result of the acquisition, the Gifa Holding Limited became the operating entity of the Company, and the business of the Gifa Holding Limited became the business of the Company going forward.

Gifa Holding Limited, together with its consolidated subsidiaries, is a diversified organization engaged in a wide variety of business activities and intends to provide various types of products and services on a global basis.

Gifa Holding Limited is a Turkish Republic of Northern Cyprus ("TRNC") limited liability company in accordance with the Companies Law Cap 113 of the TRNC. Gifa Holding Limited was originally established as a limited liability company on April 24, 2014 under registration number MS 016778 and the name Gifa Trading Limited. However, as Gifa Holding Limited commenced acquiring subsidiaries, on June 4, 2014, it obtained a special approval from the Council of Ministers and changed its name to Gifa Holding Limited to more accurately reflect its business objectives.

Gifa Holding Limited and its subsidiaries' main operations are in the Middle East and are subject to the legislative requirements of the state and regional authorities, where necessary.

Gifa Holding Limited's consolidated subsidiaries, each of which is located in TRNC, are:

- Gifa Consulting Limited: The principal business activity of this company is to assist its clients in the preparation of their business plans in support of their financing applications.
- Gifaland Theme Park Limited: The objective of this company is to construct and manage a theme park. Currently the Company is completing the construction of the Company's headquarters.
- Gifa Retirement Homes Limited: This company is currently involved in two major projects: (i) A complex aimed at constructing and managing a complex with medical facilities for advanced aged living (ii) A children's hospital (pediatrics).
- Gifa Nektar Import & Export Limited: This Company is currently negotiating with a manufacturer of citrus fruit juice producer with the intent of exporting the products.
- Grandex Finance Ltd. ("Grandex") is a 99% subsidiary of Gifa Holding Ltd. Accordingly, Gifa Holding holds 1,980 shares of the 2,000 issued share capital of Grandex. Accordingly, Grandex is a subsidiary of Gifa Inc.
- Yeni Bakis Ltd. was incorporated in TRNC on November 4, 2014 for the purpose of producing the "Yeni Bakis" daily newspaper.

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - BACKGROUND (continued)

Gifa Holding Limited's consolidated subsidiaries, each of which is located in TRNC, are (continued):

- Gifa Air Ltd. was incorporated in TRNC on December 15, 2014 for the purpose of providing travel agency services.
- Gifa Green Islands Finance Ltd. is a dormant entity.

In these Notes to the Consolidated Financial Statements of Gifa, Inc., unless the context indicates otherwise, the terms "we," "our," "ours," "us," or "the Company" refer to each of Gifa, Inc., Gifa Holding Limited, and each of the subsidiaries of Gifa Holding Limited on a consolidated basis.

NOTE B - BASIS OF CONSOLIDATED FINANCIAL STATEMENTS PREPARATION

1. Basis of presentation

The Company maintains its accounting records in accordance with the legislative requirements of TRNC. The accompanying consolidated financial statements have been prepared from those accounting records and adjusted as necessary to comply, in all material respects, with the requirements of accounting principles generally accepted in the United States of America ("US GAAP").

2. Functional and reporting currency

In accordance with the laws of the TRNC, the accounting records of the Company and each of its subsidiary companies, and their statutory financial statements for its Stockholders are prepared, in Turkish Lira.

Functional currency of the Company entities is considered to be the Turkish Lira. The Company typically calculates exchange rate variances on an annual basis. The accompanying consolidated financial statements have been prepared using the US dollar as the Company's reporting currency, utilizing prior year-end exchange rates for assets and liabilities, corresponding period yearly average exchange rates for consolidated statement of income accounts and historic rates for equity accounts in accordance with the relevant provisions of ASC No. 830, Foreign currency matters. The Company has determined that no significant change to the income statement would be posted for the three months ended March 31, 2022 and for the year ended December 31, 2021 had such calculation been made.

These consolidated financial statements include all majority-owned and controlled subsidiaries of the Company. All significant intercompany accounts and transactions have been eliminated.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied in the preparation of the consolidated financial statements. These accounting policies have been consistently applied by the Company from one reporting period to another with the exception of newly adopted accounting pronouncements.

1. Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the periods reported.

Estimates are used when accounting for certain items such as allowances for doubtful accounts; employee compensation programs; depreciation and amortization lives; asset retirement obligations; legal and tax contingencies; inventory values; valuations of investments and determining when investment impairments are other than temporary; goodwill; assets and liabilities assumed in a purchase business combinations and deferred tax assets, including valuation allowances. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results may differ from those estimates under different assumptions or conditions.

2. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash on current accounts with banks, bank deposits and other highly liquid short-term investments with original maturities of less than three months.

3. Accounts receivable and loans issued

Receivables and loans issued are stated at cost less an allowance for doubtful debts. Management quantifies this allowance based on current information regarding the customers' and borrowers' ability to repay their obligations. Amounts previously written off which are subsequently collected is recognized as income. For the three months ended March 31, 2022 and for the year ended December 31, 2021 there were no allowance for doubtful debts.

4. Value added tax (VAT)

Output value added tax related to sales of goods (work performance, services provision) is payable to the tax authorities upon delivery of the goods (work, services) or property rights to customers. Input VAT on goods and services purchased (received) is generally recoverable against output VAT. VAT related to sales/purchases and services provision/receipt which has not been settled at the balance sheet date (VAT deferred) is recognized in the balance sheet on a gross basis and disclosed separately within current assets and current liabilities.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Value added tax (VAT) (continued)

Where a doubtful debt provision has been made, a loss is recorded for the gross amount of the debt, including VAT. For the three months ended March 31, 2022 and for the year ended December 31, 2021 there were no allowance for doubtful debt provisions.

5. Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and adjustments for impairment losses. The cost of self-constructed assets includes the cost of materials, direct labor and an appropriate portion of production overheads directly related to construction of assets. Property, plant and equipment also include assets under construction and plant and equipment awaiting installation.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent expenditures

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, are capitalized with the carrying amount of the component subject to depreciation. Other subsequent expenditures are capitalized only when they increase the future economic benefits embodied in an item of property, plant and equipment. All other expenditures are recognized as expenses in the consolidated statement of income as incurred.

Capitalized interest

Interest costs are capitalized against qualifying assets as part of property, plant and equipment. Such interest costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction is interrupted for an extended period or when the asset is substantially complete. Further interest costs are charged to the statement of income.

Where funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of interest costs eligible for capitalization on that asset is the actual interest cost incurred on the borrowing during the period.

Where funds are made available from general borrowings and used for the purpose of acquiring or constructing qualifying assets, the amount of interest costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on these assets.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Property, plant and equipment (continued)

Depreciation and amortization

Depreciation is charged on a straight-line basis over the estimated remaining useful lives of the individual assets. Plant and equipment under capital leases and subsequent capitalized expenses are depreciated on a straight-line basis over the estimated remaining useful lives of the individual assets. Depreciation commences from the time an asset is put into operation. Depreciation is not charged on assets to be disposed of and land. For ease of reporting the Company has decided to calculate depreciation expense only on an annual basis. The range of the estimated useful lives, in years, is as follows:

Fixtures, fittings and equipment	5 - 10
Computers	3 - 5
Improvements	10 - 15

6. Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired. Under ASC No. 350, Intangibles - Goodwill and Other, ("ASC No. 350") goodwill is first assessed with regard to qualitative factors to determine whether it is necessary to perform the two-step quantitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. It is required to calculate the fair value of a reporting unit only if a qualitative assessment indicates that it is more likely than not that its carrying amount is more than its fair value.

The impairment test under ASC No. 350 includes a two-step approach. Under the first step, management compares fair value of a "reporting unit" to its carrying value. A reporting unit is the level at which goodwill impairment is measured and it is defined as an operating segment or one level below it if certain conditions are met. If the fair value of the reporting unit is less than its carrying value, step two is required to determine if goodwill is impaired.

Under step two, the amount of goodwill impairment is measured by the amount, if any, that the reporting unit's goodwill carrying value exceeds its "implied" fair value of goodwill. The implied fair value of goodwill is determined by deducting the fair value of all tangible and intangible net assets of the reporting unit (both recognized and unrecognized) from the fair value of the reporting unit (as determined in the first step).

The excess of the fair value of net assets acquired over acquisition cost represents negative goodwill (or "bargain purchase") which is recognized as a gain in the consolidated statement of income on the date of the acquisition.

Intangible assets that have limited useful lives are amortized on a straight-line basis over the shorter of their useful or legal lives. For ease of reporting the Company has decided to calculate amortization expense only on an annual basis.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Impairment of long-lived assets

The Company performs tests for impairment of assets where an impairment trigger has been identified. In accordance with the requirements of US GAAP, management first compares the carrying amount with the undiscounted cash flows. If the carrying amount is lower than the undiscounted cash flows, no impairment loss is recognized. If the carrying amount is higher than the undiscounted cash flows, an impairment loss is measured as the difference between the carrying amount and fair value.

For the purposes of impairment testing, a long-lived asset or asset group represents the lowest level for which management can separately identify cash flows that are largely independent of the cash flows of other assets and liabilities. Management combines the assets of different entities which operate together performing different stages of the production of finished goods.

8. Social insurance and provident fund benefits

The Company follows the Social Insurance and Provident Fund legislations of the TRNC where the Company operates. Contributions to the TRNC Social Insurance Scheme by the employer are calculated as a percentage of current gross salaries and to the provident Fund at 5% of the gross salaries. Such contributions are expensed as incurred.

9. Borrowing activities

The Company's general-purpose funding is principally obtained from short-term and long-term borrowings. Borrowings are carried at the principal amount borrowed, not of unamortized discounts or premiums.

10. Commitments and contingencies

Contingent liabilities, arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability can be assessed and the amount of the assessment and/or remediation can be reasonably estimated.

11. Income tax

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied 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 when a different tax rate is enacted.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Income tax (continued)

Pursuant to the provisions of ASC No. 740, Income Taxes, the Company provides valuation allowances for deferred tax assets for which it does not consider realization of such assets to be more likely than not. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the historical taxable income generation, projected future taxable income, the reversal of existing deferred tax liabilities and tax planning strategies in making this assessment.

The Company does not calculate deferred taxes in respect of temporary differences associated with investments in subsidiaries and associates.

The Company accounts for uncertain tax positions and reflects liabilities for unrecognized income tax benefits together with corresponding interest and penalties in the consolidated statement of income as income tax expense.

12. Dividends

Dividends are recognized as a liability in the period in which they are declared.

13. Revenue recognition

Goods sold and services rendered

Revenue is recognized in accordance with the Financial Accounting Standards Board issued ASU 2014-09 (*Revenue from Contracts with Customers (Topic 606)*). The sale of goods and services rendered are recognized in the consolidated statement of income when there is a firm arrangement, the price is fixed and determinable, delivery has occurred and services have been rendered, and collectability is reasonably assured.

14. Recently issued accounting pronouncements

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02 (*Leases (Topic 842)*), which requires an entity to recognize a liability and corresponding asset for leases that meet certain criteria. With respect to nonpublic entities, this update is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years, beginning after December 15, 2022, and early adoption is permitted. The effect of this guidance on the financial statements of the Company has not been determined.

15. Interest Income

Interest income is recognized in the consolidated statement of income as it is earned.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - SIGNIFICANT ACCOUNTING POLICIES (continued)

16. Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of interest expense, except for interest which is incurred on construction projects and capitalized.

17. Non-cash transactions

Non-cash settlements represent offset transactions between customers and suppliers, when exchange equivalents are defined and goods are shipped between the parties without exchange of cash. The related sales and purchases are recorded in the same manner as cash transactions. The fair market value for such transactions is based on the value of similar transactions in which monetary consideration is exchanged with a third party. Purchases of property, plant and equipment under capital lease arrangements are also recognized as non-cash transactions. There were no non-cash transactions for the three months ended March 31, 2022 and for the year ended December 31, 2021.

18. Segment reporting

According to ASC No.280, Segment reporting, segment reporting follows the internal organizational and reporting structure of the Company. The Company's organization comprises four reportable segments.

NOTE D - CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021
Cash Reserves	\$ 300,000	\$ 3,000,000
Cash - Turkish Lira	1,617,203	1,617,203
Cash - Euro	933,106	933,106
Cash - Sterling	831,198	831,198
Cash - USD	759,604	1,111,777
Deposits - Turkish Lira	32,217	32,217
Deposits - Sterling	1,223	1,223
Deposits - Euro	5,666	5,666
Deposits - US Dollars	24,113	24,113
Bitcoin	23,694	23,694
	<u>\$ 4,528,024</u>	<u>\$ 7,580,197</u>

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE E - VALUE ADDED TAX

Value Added Tax ("VAT") represents excess of input tax (tax on acquisition of assets and expenses) over output tax (tax on income). General rate of VAT in TRNC is 10%, however, on fee income and most expenses the rate is 16%.

NOTE F - PROPERTY, PLANT AND EQUIPMENT

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Office equipment and computers	\$ 471,228	\$ 471,228
Accumulated depreciation	<u>(176,787)</u>	<u>(125,960)</u>
	<u>\$ 294,441</u>	<u>\$ 345,268</u>

NOTE G - INTANGIBLE ASSETS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Improvements to rented property	\$ 87,120	\$ 87,120
Accumulated amortization	<u>(41,403)</u>	<u>(41,403)</u>
	<u>\$ 45,717</u>	<u>\$ 45,717</u>

NOTE H - RECEIVABLES FROM RELATED ENTITIES

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Gifa, Inc.	\$ 9,800	\$ 9,800
Gifa Holding, Inc.	139,140	76,777
Yeni Bakis Ltd.	162,030	155,555
Grandex Finance Ltd.	-	123,999
Gifa Air Ltd.	12,115	34,843
HSB Corporation Consultants Ltd.	481,109	654,752
Other Receivables	<u>23,234</u>	<u>23,234</u>
	<u>\$ 827,428</u>	<u>\$ 1,078,960</u>

- Yeni Bakis Ltd. was incorporated in TRNC on October 4, 2014 for the purpose of producing the "Yeni Bakis" daily newspaper.
- Gifa Air Ltd. was incorporated in TRNC on December 15, 2014 for the purpose of providing travel agency services.
- Gifa Green Island Finance Ltd. is a dormant entity.
- Gifa, Inc. is incorporated in the USA and certain number of its stock was purchased/financed by Gifa Holding Ltd.
- Grandex Finance Ltd. ("Grandex") is 99% subsidiary of Gifa Holding Ltd. Accordingly,

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - RECEIVABLES FROM RELATED ENTITIES (continued)

- Holding holds 1,980 shares of the 2,000 issued share capital of Grandex. Accordingly, Grandex is a subsidiary of Gifa, Inc.
- Yeni Bakis Ltd. was incorporated in TRNC on November 4, 2014 for the purpose of producing the "Yeni Bakis" daily newspaper.
- Gifa Air Ltd. was incorporated in TRNC on December 15, 2014 for the purpose of providing travel agency services.
- Gifa Green Island Finance Ltd. is a dormant entity.

NOTE I - CONSTRUCTION IN PROGRESS

On October 21, 2017, the Company entered into a Sale Agreement to purchase land and buildings on approximately 2,025 square meters located in Hamitkoy, Lefkosa, for the purchase price of £2,000,000 . During 2017, £100,000 deposit was paid. However, because the subject matter real estate is mortgaged by the seller, the case is referred to the local courts and a decision was made for the mortgage to be paid at the latest by June 7, 2018 and that the Company is to pay for the purchase £2,030,000 (\$2,743,501 U.S. Dollars) including interest.

For the three months ended March 31, 2022 and for the year ended December 31, 2021 the mortgage on the subject property still remains outstanding and the 'Seller' is in the process of selling another property to settle all outstanding debts. Once settled, the title deeds of the said property shall be transferred to the name of the Company. At present, the Company's right of ownership is by way of an 'Official Sale Purchase Agreement'.

For the three months ended March 31, 2022 and for the year ended December 31, 2021 the breakdown of expenditure on real estate was as follows:

	March 31, 2022	December 31, 2021
Purchase price	\$ 2,555,876	\$ 2,555,876
Capitalized interest	175,692	175,692
Construction cost	9,006,482	9,006,482
	<u>\$ 11,738,050</u>	<u>\$ 11,738,050</u>

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J - ACCOUNTS PAYABLE AND OTHER LIABILITIES

	March 31, 2022	December 31, 2021
Trade accounts payable	\$ 27,135	\$ 27,135
Payroll taxes	164,819	164,819
Social security contributions	40,075	40,075
Prior period taxes	46,530	46,530
Other payables	-	326,000
	<u>\$ 278,559</u>	<u>\$ 604,559</u>

NOTE K - CORPORATION TAX

In TRNC the corporate profit tax rate is 10%. In addition to the Corporation Tax liability, corporations that are specified under the Corporations Tax Law have to withhold income tax at source at a standard rate of 15% on the net chargeable income after corporation tax is deducted. The effective composite tax rate becomes 23.5%.

NOTE L - COMMITMENTS AND CONTINGENCIES

1. Litigation

The Company, in the ordinary course of business, is not subject of, or party to any pending or threatened legal action

2. Environmental matters

The Company periodically evaluates its obligations under environmental regulation. As obligations are determined, they are recognized immediately.

3. Taxation

In accordance with tax regulations in TRNC, the Company's annual financial statements were to be submitted to the tax office at the latest by December 31, 2021. These financial statements were submitted on time for each of the subsidiary entity. Upon submission, the Company is undergoing tax investigation, the outcome of which cannot be ascertained at the date of this report. However, the directors are of the opinion that the tax provision made in these consolidated financial statements is sufficient.

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE M - STOCKHOLDERS' EQUITY

1. Stock

For the three months ended March 31, 2022 and for the year ended December 31, 2021, the Company's share capital consisted of 160,931,844 issued and fully paid common stock, with \$.001 par value. During a prior year, the company acquired 91,000,000 shares of treasury stock at \$0 cost. For each common share held, the stockholder has the right to one vote at the stockholders' meetings.

2. Dividends

Dividends are paid on common stock at the recommendation of the Board of Directors and approval at a General Stockholders' Meeting. Profits available for distribution to stockholders in respect of any reporting period are determined by reference to the statutory financial statements of the Company.

As the Company is in its development stage, no dividends were declared for the periods for the three months ended March 31, 2022 and for the year ended December 31, 2021.

NOTE N - EARNINGS PER SHARE

	March 31, 2022	December 31, 2021
Weighted average number of shares	69,931,844	137,246,912
Net income (period ended)	\$ 988,851	\$ 2,629,994
Basic and diluted net earnings per share	\$ 0.014	\$ 0.019

Basic net earnings per share of common stock is calculated by dividing net income by the weighted average number of shares of common stock outstanding during the reporting period. The Company does not have potentially dilutive shares outstanding.

NOTE O - FINANCIAL INSTRUMENTS

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

The Company's management believes that the carrying values of cash, trade and other receivables, trade and other payables and short-term loans approximate to a reasonable estimate of their fair value due to their short-term maturities.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P - RISKS AND UNCERTAINTIES

1. Operating environment of the Company

TRNC's economy continues to display characteristics of a small island economy. These characteristics include relatively high inflation. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations.

The future economic direction of the TRNC is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory and political developments. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business.

The political and economic turmoil witnessed in the region, including the developments in the Middle East and Africa where the Company's income is substantially from, may have a negative impact on the Middle Eastern economy. In the case of TRNC, the dead lock between the Turkish and Greek communities and no agreement reached in line with United Nations parameters continue the international isolation applied to TRNC.

However, the TRNC economy continues to attract foreign investment in tourism and university sectors with a growing foreign workers arriving into the island under work permits. These and other events may have a significant impact on the Company's operations and financial position, the effect of which is difficult to predict.

The major financial risks inherent to the Company's operations are those related to market risk, credit risk and liquidity risk. The objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within acceptable limits.

2. COVID-19

COVID-19 continues to be at the top of the agenda in our country as in the rest of the world. It is possible to say that this deadly epidemic has had and will continue to have very important consequences not only for individuals but also for companies. Although sectors such as tourism, public transportation and air transportation have been affected severely by the epidemic, we see that there is an uncertainty in the whole business world. In this uncertainty environment caused by COVID-19, which the World Health Organization declared as a pandemic, that is, a wide spread epidemic, the importance of the boards of directors which can undertake crisis management is once again understood. It is critical that business continuity is not adversely affected due to the direct effects of COVID-19 and the measures to be taken due to COVID-19. In this context, we wanted to bring attention to the main issues that are important in our Company management in order to minimize the effects of COVID- 19 on our Company, other companies and society.

We are closely following the Statements of Competent Authorities regarding the Coronavirus (COVID-19).

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P - RISKS AND UNCERTAINTIES (continued)

2. COVID-19 (continued)

This epidemic disease, which can infect others without showing its symptoms, differs from other diseases in terms of its rate of spread. As a result, the measures and practices that have/should be taken against the virus, both nationally and internationally, are constantly renewed.

It is of great importance that the statements of the competent authorities are closely followed so that our Company's board of directors can be informed of the latest developments regarding the disease as soon as possible, and that we can take into account our own business lines, organizations and infrastructures in accordance with these developments and take action as soon as possible.

3. We take necessary precautions in the workplace

The respiratory secretion of COVID-19 requires companies to make some important changes in their workplaces. In this process, the essential steps regarding our workplace are as follows:

- We make sure that managers responsible for employees have enough information about COVID-19 symptoms to identify risk groups.
- We provide adequate information to employees about the disease and keep disinfectants at easy-to-access points so that employees can disinfect their hands.
- We postpone the planned business trips as much as possible. Video conference method is preferred whenever possible.
- In order to prevent the spread of the disease among employees, we switched to home-office, if possible, and we are sure that the Company has the necessary infrastructure system for working from home, despite the continuity of business and information security risks.

4. Our Board of Directors takes decisions by remote meetings

In order to maintain our business continuity, it is of great importance that our board of directors meet regularly and take the necessary decisions in this process. During the period that COVID-19 continues to affect, our board of directors prefers to meet electronically instead of meeting physically in order to make the decisions we need.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P - RISKS AND UNCERTAINTIES (continued)

5. Financial planning of the Company is under review

The economic recession, which will be felt more with the increase of the impact of COVID 19, may lead to significant disruptions in the supply chain and cause cash flows to remain below the expected levels. For this reason, our Company reviews the budgets foreseen for 2022 in the pre-epidemic period and sets targets in accordance with the epidemic conditions.

In this process, due to the uncertainty of the cash flow during the period during which the effect of COVID-19 continues, large investment projects that may aggravate the liabilities of the Company have been postponed and we are focused on short-term goals.

6. We receive professional legal support in terms of non-executable debts

Due to the adverse effects of the COVID-19 epidemic, it is likely that we will have difficulties in fulfilling the debts arising from the contracts our Company has made. At this point, the important issue is whether the epidemic is in the nature of force majeure, difficulty in performance or impossibility of performance in terms of contracts.

7. Other identified risks

a) Market risk

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, foreign currency risk and commodity price risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk of changes in market interest rates relates primarily to long-term debt obligations with floating interest rates. However, for the three months ended March 31, 2022 and for the year ended December 31, 2021, the Company has no long-term debt obligations.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The operations of the Company in TRNC in Turkish Lira and its fee income from Middle East operations in Euros are exposed to currency risks when reporting currency is in US Dollars

To minimize foreign currency risks, in its Euro contracts the Company controls the balance of currency positions: payments in Euros are settled with Euro revenues.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P - RISKS AND UNCERTAINTIES (continued)

7. Other identified risks (continued)

a) Market risk (continued)

(iii) Commodity price risk

Commodity price risk is a risk arising from possible changes in price of raw materials and metal products, and their impact on the Company's future performance and the Company's operational results.

For the three months ended March 31, 2022 and as for the year ended December 31, 2021 the Company had no production activities.

b) Credit risk

Credit risk is the risk when counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

The Company structures the levels of credit risk it undertakes by assessing the degree of risk for each counterparty or groups of parties. Such risks are monitored on a revolving basis and are subject to a quarterly, or more frequent, review.

The Company's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to daily calls on its available cash resources.

The Company monitors its risk to a short age of funds using a regular cash flow forecast. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. To provide for sufficient cash balances required for settlement of its obligations in time the Company uses cash flow forecasting instruments.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE Q - RELATED PARTY TRANSACTIONS

Related parties relationships are determined with reference to ASC No. 850, Related Party Disclosures. Balances for the three months ended March 31, 2022 and for the year ended December 31, 2021 and transactions for the year ended December 31, 2021 with related parties of the Company consist of the following:

(a) Sales to and purchases from related parties

(i) *Income*

There was no Income from related parties for the three months ended March 31, 2022 and for the year ended December 31, 2021.

(ii) *Advances*

Advances given to related parties equaled \$827,428 and \$1,078,960 for the three months ended March 31, 2022 and for the year ended December 31, 2021, respectfully.

Advances received from related parties equaled \$3,455,544 and \$7,472,900 for the three months ended March 31, 2022 and for the year ended December 31, 2021, respectively.

(b) Financial transactions

Loans, provided to certain subsidiaries of the Company by the stockholder and accounted for under non-current liabilities, amounted to \$1,301,163 for the three months ended March 31, 2022 and for the year ended December 31, 2021.

NOTE R - DEVELOPMENT OF GIFA TOKEN (GIFX) PROJECT

Mr. Kisa has been financing, and developing the GIFA Token Project (GIFX), a virtual currency Token, since September 2020, under the management and guidance of GIFA Holding Ltd. Mr. Kisa is the 100% owner of GIFX at this time. Neither the Company nor GIFA Holding Ltd. has any ownership whatsoever in GIFX at this time. Once fully developed and considered a viable business venture, GIFX is intended to be assigned by Mr. Kisa to a special purpose vehicle, that has not yet been formed and that is intended to own GIFX 100%. After formation, it is planned that the special purpose vehicle will be acquired by, and become a subsidiary of GIFA Holding Ltd.

Mr. Kisa has also been financing, and developing the GIFA Exchange Platform, which is intended to serve as a trading platform for the GIFA Token, as a fungible and tradable digital asset, under the management and guidance of GIFA Holding Ltd. Mr. Kisa is the 100% owner of the GIFA Exchange Platform at this time. Neither the Company nor GIFA Holding Ltd. has any ownership whatsoever in the GIFA Exchange Platform at this time. The GIFA Exchange Platform is intended to be assigned by Mr. Kisa to a special purpose vehicle, that has yet to be formed and that is intended to own the GIFA Exchange Platform 100%. After formation, it is planned that the special purpose vehicle will be acquired by, and become a subsidiary of GIFA Holding Ltd.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE R - DEVELOPMENT OF GIFA TOKEN (GIFX) PROJECT (continued)

After the intended acquisition of GIFX and the GIFA Exchange Platform, it is intended that the Company will reimburse Mr. Kisa for all amounts spent by him for the development of GIFX and the GIFA Exchange Platform.

Additionally, after the intended acquisition of GIFX and the GIFA Exchange Platform, we intend to use the GIFA Token in order to help finance and crowdfund real estate projects. Mr. Kisa, with the assistance of GIFA Holding Ltd., has been working with third-party developers, Crypto Marketing and PR Agencies, in order to create, distribute, sell and circulate the GIFA Token through an initial coin offering (ICO) process, which involves a crowdfunding exercise to fund project development and future projects. This has not yet occurred, and is only in the developmental stages.

At this time, no revenue has been generated by either GIFX or the GIFA Exchange Program. However, there is one protocol in place that has been signed at this time.

The protocol process involved reserving a pre-determined number of GIFA Tokens, allocated to a particular real estate project owner, on the basis of the needs of their particular real estate project. We believe that this can enable the real estate project owner to crowdfund the real estate transaction or purpose (eg. construction finance), using GIFA Tokens. In other words, it is intended that people can purchase the GIFA Tokens from the real estate owner in exchange for a stake in the real estate project itself. Once an individual or entity purchases a certain sum of GIFA Tokens from the real estate project owner, the sum of tokens can be transferred to a pre-registered digital GIFA wallet of the purchaser ('Crowdfunder'). The proceeds from the sale are then intended to be transferred to the real estate project owner to finance the construction of their real estate project, with a percentage of the sum received allotted to the GIFA Token Project. The percentage has not yet been decided.

Thus far, Mr. Kisa, under the guidance of GIFA Holding Ltd., has arranged for a 'Protocol Agreement' between GIFA Token (Party 1) AND Stone Arch Retirement Villages Ltd. (Party 2), whereby we have allocated (blocked) 85 million GIFA Tokens. We believe this would enable Party 2, Stone Arch Retirement Villages Ltd., to be able to use the reserved number of pre-agreed GIFA Tokens to raise funding for their project.

Although Protocol (1) has been signed, the real estate project owners of the Project Stone Arch Retirement Villages are yet to complete each stage of their own planning process. However, it is anticipated that the project should be ready for launch in the final quarter of 2022. Until the project is build ready (i.e. the necessary planning requirements are met and clear construction timelines are set), the 'crowdsale' of the GIFA Tokens cannot commence and no funds can be transferred. Notwithstanding, the 85 million GIFA Tokens allocated under Protocol (1) remain on reserve at this time.

Proceeds from such potential sales, if any, are planned to be reflected fully in the future financials of the Company once the GIFA Token Project is operational and fully integrated into the overall GIFA Holding Ltd. group structure as further described above.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE R - DEVELOPMENT OF GIFA TOKEN (GIFX) PROJECT (continued)

The White Paper, together with our business plan and marketing strategy, has been prepared by private crypto consultants and blockchain development experts and we believe that it demonstrates how we plan on achieving optimal results once the GIFA Token Project is fully developed and ready for launch.

The GIFA Exchange Platform is intended to offer users (located in jurisdictions where the platform may legally operate) Crypto exchange and trading services, for the GIFA Token, as well as other Crypto tokens and Crypto coins. We believe that users will benefit from such tools as with trade portfolios, risk management, market analytics and reporting tools. We believe it can be ready and fully operational by early August 2022.

Each user and subscriber to the GIFA Token and GIFA Exchange Platform must satisfy know-your-customer ("KYC") and anti-money laundering ("AML") requirements. Considering the ever-changing regulatory reality facing the digital currency space, our company will seek to ensure that necessary compliance measures and protocols are accounted for and implemented prior to launch.

Once fully developed, it is planned that the GIFA Exchange Platform will only be made available in jurisdictions, which satisfy a full review of legal and regulatory regimes, on a country and state level (as applicable). In the United States, for example, we have considered the legal and regulatory framework for digital currencies overseen by the U.S. Securities and Exchange Commission (SEC), the U.S. Commodity Futures Trading Commission (CFTC), the Financial Crimes Enforcement Network (FinCEN), the Office of Foreign Asset Control (OFAC) of the U.S. Treasury Department, as well as federal banking regulators.

We are continuously observing and learning how different nations approach token, coin and exchange regulations, and staying up-to-date on any upcoming legislations which could alter our compliance obligations in each prospective jurisdiction. On March 9, 2022, President Biden signed an executive order on cryptocurrencies entitled "Ensuring Responsible Development of Digital Assets" and issued with an accompanying fact sheet, regarding the U.S. government's strategy for digital assets, defined to include cryptocurrencies and other forms of exchange that are recorded on the blockchain. Citing the need for the federal government to address the role of digital assets in the financial system, the executive order represents the first whole-of-government approach to the benefits and risks of digital assets. It is a general policy statement that reflects the views of the administration, as opposed to a specific proposal for regulation. While the executive order did not mandate any specific regulations, it instructs various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. Central Bank digital currency. Accordingly, depending on the rules, regulations and laws stemming from this executive order, it may have a substantive effect on our current and planned operations. Digital assets currently face an uncertain regulatory landscape in not only the United States, but also abroad. Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability, but such change could be substantial and adverse to us.

We do not provide any assurance on these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE R - DEVELOPMENT OF GIFA TOKEN (GIFX) PROJECT (continued)

There can be no assurance that the foregoing plans regarding GIFX or the GIFA Exchange Program can be completed as planned or at all.

NOTE S - EVENTS OF NOTE

On July 9, 2021, Gifa Holding Director Yusuf Kisa was arrested by TRNC Police within the scope of the investigation launched under the Law on the Prevention of Credit Cards and Banking Law, Fraudulent Money Supply, Financial Leasing Factoring and Financing Companies and the Prevention of Usury. As a result, Mr. Kisa was requested to attend a court hearing on July 12, 2021 and was ordered to be released upon provision of surety bond.

The court order was for the correction of the matters stated in the letter of the Central Bank of Northern Cyprus dated May 27, 2021 and numbered MBA.00-754/02-21/E.101, where the activities of companies Gifa Holding Ltd and Grandex Finance constitute a violation of the laws numbered 43/2020 and 62/2017. A court order has been given to make all the applications required for this purpose within 45 days at the latest, and to suspend only the activities stated to be inconsistent until the corrections are completed, otherwise the activities of the two companies in question will be temporarily suspended until all the necessary corrections are completed. It is our understanding that the Company will conform to the changes requested and therefore, there will not be any suspension of its activities.

The Court had ordered the name of Grandex Finance Ltd. to be changed so that the change conforms to the above mentioned laws. Accordingly, the Company held a special resolution dated July 29, 2021 for the name to be changed to Grandex Consulting Ltd. and an application was made to the Companies' Registrar.

Furthermore, as a result of changes to Turkish Republic of Northern Cyprus legislation, under the 'Law on the Prevention of Credit Cards and Banking Law' and the 'Fraudulent Money Supply, Financial Leasing Factoring and Financing Companies and the Prevention of Usury', the Company has taken the decision to relocate its financial services (offering equity and debt products to businesses, including convertible debentures, mezzanine, subordinated, and securitized debt, as well as term loans, allowing large businesses from different continents to borrow and raise capital, financing acquisitions, business expansions, financing of supply and demand chain activities and much more) and the associated subsidiaries to the United Kingdom.

Following this legislative changes and the COVID-19 pandemic, the Company has decided to diversify its' business activities and as such has applied for and waiting approval for license to enter into the pharmaceutical manufacturing sector to establish itself as a regional pharma business providing 'Third Party/Contract Manufacturing', 'Loan License Manufacturing' and 'Pharmaceuticals products', Pharmaceutical Raw material manufacturing and more.

We do not provide any assurance on these financial statements.

Gifa, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE S - EVENTS OF NOTE (continued)

As well as focusing primarily on diversifying its business activities to include the pharmaceutical sector, the Company is also taking steps to consolidate and develop its position further within the 3rd Age Tourism (Retirement Sectors) sector.

NOTE T - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the financial statements, the date that the consolidated financial statements were available to be issued and has determined that no additional material transactions have occurred that would warrant disclosure in the consolidated financial statements.

We do not provide any assurance on these financial statements.