Balance Sheet

(STANDALONE)

December 31, 2018 (Unaudited)

Assets	December 31, 2018
Current Assets:	
Cash	\$77,346
Accounts receivable	27,817.68
Other receivables	624,904
Inventory	1,418,348
Prepaid expenses	223,132
Deferred tax asset (short-term)	5,531,432
Total current assets	\$7,902,980
Property and equipment, net	\$3,757,192
Capital Work in Progress	4,041,155
Intellectual Property	45,778
Deferred Tax Asset (ZTL)	1,269,507
Total assets	\$17,016,612
Liabilities and Stockholders' Equity	
Current liabilities	
Accounts payable	\$2,392,343
Customer chargebacks, rebates, discounts and allowances	-
Accrued expenses	-
Short-term provisions	215,000.00
Deferred Revenue	-
Other liabilities	704
Total current liabilities	\$2,608,047
Long term liabilities	
Loan - related party	\$32,145,000
Deferred taxes	291,970
Valuation allowance	5,243,706
Total long term liabilities	\$37,680,676
Total liabilities	\$40,288,723
Stockholders' Equity	
Common stock, no par value	\$100,100
Surplus (Deficit)	(23,372,211)
Total stockholders' equity	(\$23,272,111)
Total liabilities and stockholders' equity	\$17,016,612

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Statement of Operations

(STANDALONE)

For the period from January 1, 2018 through December 31, 2018 (Unaudited)

		through December 31, 2018
Income		
Gross sales	\$	986,117
Total income	\$	986,117
Adjustments		
Returns & allowances	\$	13,046
Total adjustments	\$	13,046
Sales, Net	\$	973,071
Cost of goods sold		
Prime costs	\$	638,775
Total cost of goods sold	\$	638,775
Gross Profit	\$	334,297
Operating expenses	•	
Plant overhead	\$	2,841,862
General and administrative	\$ \$	2,157,321
Depreciation and amortization	\$	578,738
	\$	5,577,921
Profit (Loss) from operations	\$	(5,243,624)
Other income (expense)		
Contract Reveune (ZTL)	\$	2,250,081
Contract Reveune (outside 3rd parties)	\$	293 <i>,</i> 356
Income tax withholding (ZTL)	\$ \$ \$ \$	-
Financing-related expenses	\$	(1,072,954)
Inventory Adjustments	\$	-
Contingency for expenses	_\$	(215,000)
Total other income (expense)	\$	1,255,483
Profit (Loss) before income taxes	\$	(3,988,141)
Provision for income taxes	\$	570
Net Profit (Loss)	\$	(3,988,711)

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Statement of Cash Flows

(STANDALONE)

For the period from January 1, 2018 through December 31, 2018 (Unaudited)

	January 1, 2018 through December 31, 2018	
Cash flows from operating activities:		
Net profit (loss)	\$	(3,988,711)
Adjustments to reconcile net loss to cash used in		
operating activities:		
Depreciation and amortization	\$	578,738
Changes in operating assets and liabilities:		
Accounts receivable	\$	(27,818)
Other receivables	\$	261,282
Inventories	\$ \$ \$	(264,843)
Prepaid expenses	\$	3,670
Deferred tax asset (short-term)	\$ •	141,881
Deferred tax asset (ZTL)	Ş	(352,584)
Accounts payable	\$ \$	1,916,975
Customer chargebacks, rebates, discounts & allowances	\$ ¢	-
Accrued expenses Other liabilities	ş ç	- (21)
Short-term provisions	¢	215,000
Deferred Revenue	¢	213,000
Deferred taxes (long-term liability)	ς ς	(263,931)
Valuation allowance	\$ \$ \$ \$ \$ \$ \$ \$	122,620
Net cash used in operating activities	\$	(1,657,742)
Cash flows from investing activities:		
Purchases of property and equipment	\$	(3,569,149)
Net cash used in investing activities	\$	(3,569,149)
Cash flows from financing activities:		
Loan - related party	\$	5,025,000
Net cash provided by financing activities	\$	5,025,000
Net increase (decrease) in cash	\$	(201,891)
Cash, beginning of period	\$	279,237
Cash, end of period	\$	77,346
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Schedule of General and Administrative Expenses (STANDALONE)

For the period from January 1, 2018 through December 31, 2018 (Unaudited)

	January 1, 2018 through December 31, 2018	
Salaries and wages	\$	1,214,440
Contribution to provident and other funds	\$	26,837
Staff welfare expenses	\$	231,764
Power & fuel (includes water bills & real estate taxes)	\$	41,050
Refuse/waste disposal	\$	6,099
Repairs to plant and machinery	\$	233,029
Insurance	\$	10,734
Traveling expenses/employee meals/company events	\$	38,372
Legal and professional fees	\$	38,786
Commission on sales	\$	-
Freight, postage and forwarding on sales	\$	12,593
Sales promotion expenses/website & hosting		22
Seminar, conference and exhibition	\$ \$	7,154
Analytical expenses	\$	207,405
Office supplies	\$ \$	4,667
Payroll service charges	\$	13,531
Recruiting expense	\$	5,498
Relocation expense	\$	32,622
Bank charges	\$	1,619
Production supplies	\$	11,340
Dues & subscriptions/registration fees	\$	1,882
Telephone	\$	2,136
Miscellaneous expenses	\$ \$ \$	15,741
	\$	2,157,321.37

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