



MACAU CAPITAL INVESTMENTS, INC.

FINANCIAL REPORT

FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30, 2017

MACAU CAPITAL INVESTMENTS, INC.

Consolidated Balance Sheet

(Unaudited)

As of September 30, 2017

Accrual Basis

<u>ASSETS</u>		
<u>Current Assets</u>		
<u>Checking/Savings</u>		
Texas Citizen		95,592.36
Texas Citizen Savings		200,041.23
Total Checking/Savings		295,633.59
Accounts Receivable		931,800.03
Total Current Assets		1,227,433.62
<u>Fixed Assets</u>		
Accumulated Depreciation		-1,504,159.18
Trash Equipment		2,668,823.07
Vehicles		2,191,754.10
Total Fixed Assets		3,356,417.99
Goodwill		6,500,000.00
TOTAL ASSETS		11,083,851.61
LIABILITIES & EQUITY		
<u>Liabilities</u>		
<u>Current Liabilities</u>		
<u>Accounts Payable</u>		
Accounts Payable		4,518,935.23
Total Accounts Payable		4,518,935.23
Total Current Liabilities		4,518,935.23
<u>Long Term Liabilities</u>		
Long-Term Liability		3,665,742.53
Total Long Term Liabilities		3,665,742.53
Total Liabilities		3,684,677.76
<u>Equity</u>		
Opening Balance Equity		3,013,722.10
Stockholders' Deficit		
Series A Preferred Stock, \$0.000001 par value, 10,000,000 shares authorized; none issued and outstanding		
Series C Preferred Stock, \$0.000001 par value, 10,000,000 shares authorized; none issued and outstanding		-

Common Stock, \$0.00001 par value, 4,544,255,341 shares authorized;

4,544,255,341 shares issued and outstanding

45,442

Additional paid in capital

Accumulated deficit

Total Stockholders' Deficit

45,442

Net Income	<u>-114,548.25</u>
Total Equity	<u>2,853,731.85</u>
TOTAL LIABILITIES & EQUITY	<u>11,083,851.61</u>

MACAU CAPITAL INVESTMENTS, INC.

Consolidated Profit and Loss Statement

(Unaudited)

Accrual Basis

As of September 30, 2017

	<u>Sept 2017</u>
Ordinary Income/Expense	
Income	
Commercial Roll-off	21,168.25
Fuel Surcharge	8,386.10
REFUND TO CUSTOMER	-6,058.67
Sales Income	5,325,922.44
Uncategorized Income	<u>592.88</u>
Total Income	5,350,011.00
Cost of Goods Sold	
Fuel for Hired Vehicles	<u>224,813.37</u>
Total COGS	<u>224,813.37</u>
Gross Profit	5,125,197.63
Expense	
Administrative Overhead Expense	
Advertising	
Internet Marketing	<u>21.09</u>
Total Advertising	21.09
Dues & Fees	3,326.99
Office Supplies	2,542.07
Uniforms	532.10
Administrative Overhead Expense - Other	<u>151.43</u>
Total Administrative Overhead Expense	6,573.68
ADP Screening	325.66
Automobile Expense	13,064.97
Bank Service Charges	2,280.78
City of Houston franchise fee	613.57
Computer and Internet Expenses	45,894.08
Credit Card Fees	3,725.31
Employee Training	602.08
Meals and Entertainment	10,227.18
Medical Expense	2,146.40
Operating Cost	
Contract Labor	12,673.33
EQUIPMENT Repair	13,696.12
Fuel	4,570.23

Insurance Expense	224,069.95
Internet	4,721.57
Landfill	1,170,611.99
Lot Lease	3,150.00
Parts and services	163,450.96
Repairs and Maintenance	
TIRE-USED	52,944.65
Repairs and Maintenance - Other	<u>302,837.88</u>
Total Repairs and Maintenance	355,782.53
TIRE REPAIR	20,497.05
Tolls	14,924.94
Truck Tow	2,554.00
Operating Cost - Other	<u>71,162.61</u>
Total Operating Cost	2,061,865.28
Other Expense	3,170.75
Parking	17.75
Payroll Expenses	
Contract Labor	557,770.43
Salary & Wages	935,688.61
Payroll Taxes	54,929.19
Payroll Expenses - Other	<u>71,523.60</u>
Total Payroll Expenses	1,619,911.83
Postal	8,241.62
Printing & Reproduction	2,754.79
Professional Fees	857,851.49
Rent Expense	54,305.00
Rental Car	21,092.63
Taxes	17,094.79
Telephone Expense	3,078.73
Travel	
Lodge	<u>3,488.84</u>
Total Travel	3,488.84
Uncategorized Expenses	521.51
Uniforms - Cleaning	48.39
Utilities	4,116.08
Waste Management	<u>1,210.93</u>
Total Expense	<u>4,744,224.12</u>
Net Ordinary Income	380,973.52
Other Income/Expense	
Other Income	
Other Income	<u>4,419.70</u>
Total Other Income	4,419.70

Other Expense	
Miscellaneous	<u>13,460.88</u>
Total Other Expense	<u>13,460.88</u>
Net Other Income	<u>-9,041.18</u>
EBITDA	371,932.34
Interest Taxes and Depreciation	
Interest Expenses	122,532.01
Depreciation	<u>447,227.01</u>
Total Interest Taxes and Depreciation	<u>569,759.02</u>
Net Income	<u><u>(197,826.69)</u></u>

Consolidated Statement of Cash Flow

As of September 30, 2017
(Unaudited)

	<u>Jan - Sep 17</u>
OPERATING ACTIVITIES	
Net Income	-114,548.25
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	-299,544.25
INVESTING ACTIVITIES	-939,907.77
FINANCING ACTIVITIES	
Long-Term Liability	<u>1,427,700.14</u>
Net cash provided by Financing Activities	<u>1,427,700.14</u>
Net cash increase for period	188,248.12
Cash at beginning of period	<u>107,385.47</u>
Cash at end of period	<u><u>295,633.59</u></u>

MACAU CAPITAL INVESTMENTS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of Operations

Macau Capital Investments, Inc. referred to herein as “the company,” “Macau,” “we,” “us,” or “our,” was incorporated in the State of Delaware in 2000. The company is a waste management holding company that has a wholly owned subsidiary ECO Medical Waste, LLC and acquired a 50% equity stake in ECO Waste and Recycling, LLC, both are Texas Limited Liability companies which serve Houston, Texas and its surrounding counties for all the communities trash and recycling needs. The company’s registered office is located at 2912 Wichita St, Houston, TX 77004. Macau offers recycling services to both residential and commercial customers. Residential customers are usually offered curbside recycling as part of the residential services available to them. Items recycled typically include aluminum, steel, plastic and glass containers as well as newspapers. Commercial recycling is offered for both front load and roll off commercial customers and usually consists of corrugated cardboard.

Residential trash services and recycling services are provided to individual residences on a scheduled basis. These services may include a combination of collecting of garbage, yard waste, recycling and bulky wastes (furniture, appliances etc.). Usually garbage is collected either once or twice a week with the other services provided on a weekly basis.

Waste Collection services are provided on a scheduled basis from one to seven days per week. The commercial customer is provided with a container (dumpster) by Eco Waste and Recycling. The containers range in size from 2 to 8 cubic yards.

We have an extensive growth plan to grow our waste disposal fleet regionally throughout Houston and surrounding counties.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

In the opinion of management, the accompanying financial statements contain all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the Company's consolidated financial position as of September 30, 2017, and the results of its operations and cash flows for the period then ended.

Cash and Cash Equivalents

The Company considers all highly liquid investment purchased with an original maturity of three months or less to be cash equivalents.

2. Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and equivalents, restricted assets and accounts receivable. The Company maintains cash and equivalents with banks that at times exceed applicable insurance limits. The Company reduces its exposure to credit risk by maintaining such deposits with high quality financial institutions. The Company's restricted assets are invested primarily in U.S. government and agency securities. The Company has not experienced any losses related to its cash and equivalents or restricted asset accounts. The Company generally does not require collateral on its trade receivables. Credit risk on accounts receivable is minimized as a result of the large and diverse nature of the Company's customer base. The Company maintains allowances for losses based on the expected collectability of accounts receivable.

Revenue Recognition

Our revenues are generated from the fees we charge for waste collection, transfer, disposal and recycling and resource recovery services. The fees charged for our services are generally defined in our service agreements and vary based on contract-specific terms such as frequency of service, weight, volume and the general market factors influencing a region's rates. The fees we charge for our services generally include fuel surcharges, which are intended to pass through to customers increased direct and indirect costs incurred because of changes in market prices for

fuel. We generally recognize revenue as services are performed or products are delivered. For example, revenue typically is recognized as waste is collected or at transfer stations, as recycling commodities are delivered.

Tangible product revenues primarily include the sale of recyclable commodities at our material recovery facilities and through our recycling brokerage services.

Use of Estimates

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

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

We record property and equipment at cost. Expenditures for major additions and improvements are capitalized and maintenance activities are expensed as incurred. We depreciate property and equipment over the estimated useful life of the asset using the straight-line method. We assume no salvage value for our depreciable property and equipment. When property and equipment are retired, sold or otherwise disposed of, the cost and accumulated depreciation are removed from our accounts and any resulting gain or loss is included in results of operations as an offset or increase to operating expense for the period.

The estimated useful lives for significant property and equipment categories are as follows (in years):

	<u>Useful Lives</u>
Vehicles	3 to 10
Machinery and equipment — including containers	3 to 30
Buildings and improvements	5 to 40
Furniture, fixtures and office equipment	3 to 10

Income Taxes

ECO Waste and Recycling, LLC is a multi-member Limited Liability Company which elected to be taxed as a corporation. The Company recognizes and measures its unrecognized tax benefits or liabilities in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 740, Income Taxes. Under this guidance the Company estimates the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The level of unrecognized tax benefits or liabilities is adjusted when there is more information available, or when an event occurs that requires a change. Management believes the impact of FASB ASC 740 on its financial position and results of operations will have no material impact on its financial statements.

Concentration of Credit Risk

The Company does not have any concentration of related financial credit risk.

Recent Accounting Pronouncements

The Company does not expect the adoption of any recent accounting pronouncements to have a material impact on its financial statements.

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurement

The Company adopted the accounting guidance for the fair value measurement of financial assets, which defines fair value, establishes a framework for measuring fair value, establishes a fair value measurement hierarchy, and expands fair value measurement disclosures. Fair value, as defined by the accounting guidance, is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy established by this accounting guidance prioritizes the inputs used in valuation techniques into the following three categories (highest to lowest priority):

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: Unobservable inputs that are significant to the overall fair value measurement.

Securities owned and securities sold, not yet purchased are recorded on a trade date basis, and are recorded at fair value. The Company's securities owned and securities sold, not yet purchased are comprised of equity securities, valued based on quoted prices and therefore classified as Level 1 within the fair value hierarchy. All securities transactions are cleared through the Parent.

The Company defines cash equivalents as highly liquid investments with original maturities of less than 90 days that are not held for sale in the ordinary course of business. The Company considers these Level 1 investments in the fair value hierarchy.

The Company's other financial instruments are generally short-term in nature or have variable interest rates and as such their carrying values approximate fair value.

Credit Facilities:

ECO Waste and Recycling, LLC on or about September 06, 2017 entered into a credit facility debenture loan in the amount of \$2,000,000 which requires the company to make monthly payments of principal and interest. The funds were used to consolidate multiple merchant cash advance loans and bank loan, amounting to approx. \$1,000,000 which had a significant impact on the company's cash flow and growth. The company has no other loans outstanding post closing. The investor provided the company with a carve-out clause allowing the company to keep its capital leases in place, thus reducing the cost of capital.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This section of the financials includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You

should not place undue certainty on these forward-looking statements, which apply only as of the date of this financial report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

PLAN OF OPERATION

Macau is a waste management holding company with subsidiaries that offer recycling services to both residential and commercial customers. Residential customers are usually offered curbside recycling as part of the residential services available to them. Items recycled typically include aluminum, steel, plastic and glass containers as well as newspapers. Commercial recycling is offered for both front load and roll off commercial customers and usually consists of corrugated cardboard.

Residential trash services and recycling services are provided to individual residences on a scheduled basis. These services may include a combination of collecting of garbage, yard waste, recycling and bulky wastes (furniture, appliances etc.). Usually garbage is collected either once or twice a week with the other services provided on a weekly basis.

Waste Collection services are provided on a scheduled basis from one to seven days per week. The commercial customer is provided with a container (dumpster) by Eco Waste and Recycling. The containers range in size from 2 to 8 cubic yards.

We have an extensive growth plan to grow our waste disposal fleet regionally throughout Houston and surrounding counties.

The company experienced a dramatic shift in business dynamics in its operations as a direct result of Hurricane Harvey affecting communities we serve. We had to deploy more man hours, hire significant day laborers and deploy extra equipment throughout the communities for the massive cleanup efforts for those residential areas that were flooded. We experienced a significant number of commercial customers requesting additional roll-off dumpster equipment as a result of the hurricane destroying commercial structures and buildings. We have a long road to recovery ahead in the communities we serve and we will be expected to meet the high standards of service we have always delivered.

We are continuing to serve our communities and always seeking new contract business. Revenue has increased a bit since the storm, however, cost have increased significantly as well and collection of revenue was slow during the storm period as many HOA and MUD Districts were inaccessible because of flooding and board members were not able to meet as usual to administer their duties and send out payments. As a result we have higher than usual receivables and expect that it might be end of December 2017 before many return to normal operations.

Liquidity and Capital

EWR on September 06, 2017 entered into a credit facility with mezzanine lender for a debenture loan in the amount of \$2,000,000 which requires to company to make monthly payments of principal and interest. The funds were used to consolidate multiple merchant cash advance loans and bank loan amounting to approx. \$1,000,000 which had a significant impact on the company's cash flow and grow. The company has no other loans outstanding post closing. The company has \$295,633.59 cash on hand for working capital and on-going operating expenses. The company has receivables of more than \$931,800.03 outstanding. We had accounts payables of \$4,518,935.23. We reported net income of -\$317,410.45 due to one-time extraordinary charges relating to post-closing events and delayed billing and collections for services due to storm effects.

Resources Assets and Liabilities

The company had total assets of \$11,083,851 and long-term liabilities of \$3,665,742. The company's assets are significant enough to maintain operations as a going concern.

Off-Balance Sheet Arrangements

We are not currently a party to, or otherwise involved with, any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Not applicable.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures and determined that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report. The evaluation considered the procedures designed to ensure that the information required to be disclosed by us in reports filed or submitted under the OTC Markets Rules is recorded, processed, summarized and reported within the time periods specified in the OTC Markets rules and forms and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c) Inherent Limitations of Disclosure Controls and Internal Controls over Financial Reporting

because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation or effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Part II

OTHER INFORMATION

Item 1. Legal Proceedings

The company was sued by CF3 Enterprises, LLC as a result of acquiring the \$4,500,000 of debt owed by the company and the parties reached a settlement through 3(a)10 proceeding in which CF3 Enterprises, LLC received , stock in exchange for the debt.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not Applicable.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Subsequent Events

The company was sued by CF3 Enterprises, LLC as a result of acquiring approximately \$4,522,218 of debt owed by the company and the parties reached a settlement through 3(a)10 proceeding approved by the court on 11/07/2017 in which CF3 Enterprises, LLC received , stock in exchange for the debt. The company entered into a share purchase agreement on or about 11/13/2017 with ECO Waste and Recycling, LLC founders to exchange 50% equity ownership in exchange for 500 Million shares common stock of Macau Capital Investments, Inc. based upon a valuation of \$6.5 Million.

The company value equity acquisitions at cost and records the securities as goodwill. We expect that these subsequent events will be disclosed in subsequent quarterly and annual report.

Item 5.

Other Information

Not applicable.

Directors and Officers Certification of Financial Statements

I, Monique Hayes certify that:

- 1) I have reviewed this quarterly disclosure statement of Macau Capital Investments, Inc. (MCIM);
- 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.

/s/ Monique Hayes [CFO]

/s/ Monique Hayes [President]

Dated: 11/27/2017