VAPORBRANDS INTERNATIONAL, INC.
(FORMERLY TTCM CHINA, INC.)
(A Development Stage Company)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

(UNAUDITED)

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VAPORBRANDS INTERNATIONAL, INC.
(FORMERLY TTCM CHINA, INC.)
(A Development Stage Company)
BALANCE SHEETS

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current Assets		
Cash and cash equivalents	$ 13	$ -
Inventory	26,104	-
Total Current Assets	26,117	-
Total Assets	$ 26,117	$ -
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	$ 76,869	$ 18,246
Bank overdraft	-	1
Notes payable	251,954	196,454
Total Current Liabilities	328,823	214,701
Total Liabilities	328,823	214,701
Stockholders' Deficit:		
Preferred Stock, 5,000,000 shares authorized, and no shares issued @ $.001 par value	-	-
Common Stock, 500,000,000 shares authorized, and 70,561,606 and 70,061,606 shares issued @ $0.001 par value	70,562	70,062
Additional paid-in capital	5,487,188	5,472,688
Deficit accumulated during development stage	(5,860,456)	(5,757,451)
Total Stockholders' Deficit	(302,706)	(214,701)
Total Liabilities and Stockholders' Deficit	$ 26,117	$ -

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

VAPORBRANDS INTERNATIONAL, INC.
(FORMERLY TTCM CHINA, INC.)
(A Development Stage Company)
STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Month Periods Ended		Nine Month Periods Ended		Inception to
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014
Revenue, net	$ -	$ 326	$ -	$ 3,908	$ 11,100
Cost of sales	416	-	9,146	2,623	16,969
Gross (loss) profit	(416)	326	(9,146)	1,285	(5,869)
Operating Expenses:					
Stock for services	-	(1,750,000)	15,000	1,800,000	5,555,250
General and administrative expenses	3,229	(29,054)	63,154	114,003	274,033
Total operating expenses	3,229	(1,779,054)	78,154	1,914,003	5,829,283
(Loss) income from operations	(3,645)	1,779,380	(87,300)	(1,912,718)	(5,835,152)
Other (Income) Expense					
Interest expense	4,407	1,770	15,705	5,025	25,304
Total Other Expense	4,407	1,770	15,705	5,025	25,304
Net (loss) income	$ (8,052)	$ 1,777,610	$ (103,005)	$ (1,917,743)	$ (5,860,456)
Net (loss) income per share:					
Basic	$ (0.0001)	$ 0.020	$ (0.001)	$ (0.023)	
Diluted	$ (0.0001)	$ 0.020	$ (0.001)	$ (0.023)	
Weighted average number of shares outstanding:					
Basic	70,561,606	86,728,273	70,533,828	81,721,428	
Diluted	70,561,606	90,728,273	70,533,828	81,721,428	

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

VAPORBRANDS INTERNATIONAL, INC.
(FORMERLY TTCM CHINA, INC.)
(A Development Stage Company)
STATEMENT OF STOCKHOLERS' DEFICIT
INCEPTION TO SEPTEMBER 30, 2014
(UNAUDITED)

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Total Accumulated Deficit	Stockholders' Deficit
Issuance of Common shares	225,606	$ 226	$ 2,274	$ -	$ 2,500
Net Loss for the period ended December 31, 2010	-	-	-	(2,500)	(2,500)
Balance December 31, 2010 (Unaudited)	225,606	226	2,274	(2,500)	-
Net Loss for the period ended December 31, 2011	-	-	-	(3,875)	(3,875)
Balance December 31, 2011 (Unaudited)	225,606	226	2,274	(6,375)	(3,875)
Shares issued for debt conversion	14,961,000	14,961	3,725,289		3,740,250
Shares cancelled	(125,000)	(125)	125		-
Shares issued for reverse merger	45,000,000	45,000	(45,000)		-
Net Loss for the period ended December 31, 2012	-	-	-	(3,809,179)	(3,809,179)
Balance December 31, 2012 (Unaudited)	60,061,606	60,062	3,682,688	(3,815,554)	(72,804)
Shares issued for services	10,000,000	10,000	1,790,000	-	1,800,000
Net Loss for the period ended December 31, 2013	-	-	-	(1,941,897)	(1,941,897)
Balance December 31, 2013	70,061,606	70,062	5,472,688	(5,757,451)	(214,701)
Shares issued for services	500,000	500	14,500	-	15,000
Net Loss for the period ended September 30, 2014	-	-	-	(103,005)	(103,005)
Balance September 30, 2014 (Unaudited)	70,561,606	$ 70,562	$ 5,487,188	$ (5,860,456)	$ (302,706)

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

VAPORBRANDS INTERNATIONAL, INC.
(FORMERLY TTCM CHINA, INC.)
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	September 30, 2014	September 30, 2013	Inception to September 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss	$ (103,005)	$ (1,917,743)	$ (5,860,456)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock issuance for services	15,000	1,800,000	5,555,250
(Increase) / decrease in assets:			
Inventory	(26,104)	27,056	(26,104)
Accounts receivables	-	3,284	-
Deposit	-	4,631	-
Increase/ (decrease) in current liabilities:			
Accounts payable and accrued expenses	58,621	(24,189)	76,869
Total Adjustments	47,517	1,810,782	5,606,015
Net cash used in operations	(55,488)	(106,961)	(254,441)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank overdraft	1	-	-
Proceeds from loans	55,500	117,500	251,954
Proceeds from common stock	-	-	2,500
Net cash provided by financing activities	55,501	117,500	254,454
Net increase in cash and cash equivalents	13	10,539	13
Cash and cash equivalents, beginning balance	-	100	-
Cash and cash equivalents, ending balance	$ 13	$ 10,639	$ 13
SUPPLEMENTAL DISCLOSURES:			
Cash paid during the year for:			
Income tax payments	$ -	$ -	
Interest payments	$ -	$ -	

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

VAPORBRANDS INTERNATIONAL, INC.
(FORMERLY TTCM CHINA, INC.)
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(UNAUDITED)

Note 1 –ORGANIZATION

VaporBrands International, Inc. (the "Company") was incorporated under the laws of the state of Nevada on July 9, 2012. In October 2012 the Company acquired VaporBrands, Inc. which was formerly TTCM China, Inc. in a share exchange agreement. The Company is recording this transaction as a reverse merger for accounting purposes. The Company intends to brand and manufacture electronic cigarettes. TTCM China, Inc. was incorporated in Delaware on March 6, 1986. TTCM China, Inc. re-domesticated itself from Delaware to Nevada in February 2012 and changed its name to VaporBrands International, Inc. as a result of the parent-subsidiary merger in October 2012.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States ("US GAAP").

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to U.S. GAAP rules and regulations for presentation of interim financial information. Therefore, the unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the years ended December 31, 2013. Current and future financial statements may not be directly comparable to the Company's historical financial statements. Accordingly, the results of operations for the interim period are not necessarily indicative of the results to be expected for any other interim period or for the full year.

Development Stage Company
The Company is a development stage company as defined by section 915-10-20 of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification. Although the Company has recognized some nominal amount of income since inception, the Company is still devoting substantially all of its efforts on establishing the business and, therefore, still qualifies as a development stage company. All losses accumulated since inception has been considered as part of the Company's development stage activities.

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include collectability of accounts receivable, accounts payable, sales returns and recoverability of long-term assets.

Revenue Recognition
Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Cost of Sales
Cost of revenue includes; purchases, samples, inventory valuation adjustments; and costs associated with the delivery.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Income Taxes

The Company utilizes the liability method of accounting for income tax. Under the liability method, deferred income tax assets and liabilities are provided based on the difference between the financial statements and tax basis of assets and liabilities measured by the current enacted tax rates in effect for the years in which these differences are expected to reverse. Because there is no material difference between the financial accounting and tax basis of the assets and liabilities for the subsidiaries, no deferred tax assets or liabilities were recorded.

The Company have adopted accounting standards for the accounting for uncertain income taxes. These standards provide guidance for the accounting and disclosure about uncertain tax positions taken. Management believes that all of the positions taken in its federal and states income tax returns are more likely than not to be sustained upon examination.

Cash and Equivalents

Cash and equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Inventory

Inventories are valued at the lower of cost (determined on a weighted average basis) or market. Management compares the cost of inventories with the market value and allowance is made to write down inventories to market value, if lower. As of September 30, 2014, inventory only consisted of finished goods.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.
The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of September 30, 2014 and December 31, 2013, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Earnings Per Share (EPS)

Basic EPS is computed by dividing income available to common shareholders and equivalents by the weighted average number of common shares and equivalents outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted EPS is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method for the outstanding options and the if-converted method for the outstanding convertible preferred shares. Under the treasury stock method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Under the if-converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later).

The following table sets for the computation of basic and diluted earnings per share for period ended:

	Three Month Period Ended		Nine Month Period Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net loss	$ (8,052)	$ 1,777,610	$ (103,005)	$ (1,917,743)
Weighted average number of shares used in computing basic and diluted net loss per share:				
Basic	70,561,606	86,728,273	70,533,828	81,721,428
Diluted	70,561,606	90,728,273	70,533,828	81,721,428
Net (loss) income per share:				
Basic	$ (0.0001)	$ 0.020	$ (0.001)	$ (0.023)
Diluted	$ (0.0001)	$ 0.020	$ (0.001)	$ (0.023)

Diluted EPS reflects the potential dilution of securities that could share in the earnings or losses of the entity. For the nine months ended September 30, 2014 and 2013, basic and diluted loss per share are the same since the calculation of diluted per share amounts would result in an anti-dilutive calculation.

Stock-Based Compensation

The Company recognizes the services received or goods acquired in a share-based payment transaction as services are received or when it obtains the goods as an increase in equity or a liability, depending on whether the instruments granted satisfy the equity or liability classification criteria [ASC 718-10-25-2, Compensation-Stock Compensation, Recognition].

A share-based payment transaction with employees is measured base on the fair value (or, in some cases, a calculated or intrinsic value) of the equity instrument issued. If the fair value of goods or services received in a share-based payment with non-employees is more reliably measurable than the fair value of the equity instrument issued, the fair value of the goods or services received shall be used to measure the transaction. Conversely, if the fair value of the equity instruments issued in a share-based payment transaction with non-employees is more reliably measurable than the fair value of the consideration received, the transaction is measured at the fair value of the equity instruments issued [ASC 718-10-30-2, Compensation- Stock Compensation, Initial Measurement].

The cost of services received from employees in exchange for awards of share-based compensation generally is measured at the fair value of the equity instruments issued or at the fair value of the liabilities incurred. The fair value of the liabilities incurred in share-based transactions with employees is remeasured at the end of each reporting period until settlement [ASC 718-10-30-3, Compensation-Stock Compensation, Initial Measurement].

Share-based payments awarded to an employee of the reporting entity by a related party or other holder of an economic interest in the entity as compensation for services provided to the entity are share-based transactions to be accounted for under ASC 718 unless the transfer is clearly for a purpose other than compensation for services to the reporting entity. The substance of such a transaction is that the economic interest holder makes a capital contribution to the reporting entity and that entity makes a share-based payment to its employee in exchange for services rendered [ASC 718-10-15-4, Compensation-Stock Compensation, Scope and Scope Exceptions].

Recently Issued Accounting Pronouncements

There have been no new accounting pronouncements during the nine months ended September 30, 2014 that we believe would have a material impact on our financial position or results of operations.

Note 3 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit of $5,860,456 as of September 30, 2014.

While the Company is attempting to commence operations and generate revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4 – NOTES PAYABLE

As of September 30, 2014 and December 31, 2013, the Company had the following notes payable:

Description	September 30, 2014	December 31, 2013
Convertible note payble with interest at 6% per annum due on December 31, 2013. If not paid by December 31, 2013, interest will be 15% per annum. The loan can be converted into common stock at $0.01 per share.	$ 28,954	$ 28,954
Convertible note payble with interest at 6% per annum due on October 18, 2013. If not paid by October 18, 2013, interest will be 15% per annum. The loan can be converted into common stock at $0.01 per share.	60,000	60,000
Convertible note payble with interest at 6% per annum due on August 30, 2014. If not paid by August 30, 2014, interest will be 15% per annum. The loan can be converted into common stock at $0.01 per share.	20,000	20,000
Convertible note payble with interest at 6% per annum due on August 30, 2014. If not paid by August 30, 2014, interest will be 15% per annum. The loan can be converted into common stock at $0.01 per share.	20,000	20,000
Note payble with interest at 0% per annum due on March 5, 2014.	42,500	45,000
Note payble with interest at 6% per annum due on demand.	22,500	22,500
Note payble with interest at 6% per annum due on demand.	33,500	-
Note payble with interest at 8% per annum due on April 7, 2015.	4,500	-
Note payble with interest at 8% per annum due on April 24, 2015.	20,000	-
Total	$ 251,954	$ 196,454

Note 5 – RELATED PARTY TRANSACTIONS

Free office space
The Company has been provided office space by its Chief Executive Officer at no cost. Management determined that such cost is nominal and did not recognize the rent expense in its financial statements.

Employment Agreement
On September 30, 2013 the Company entered into an employment agreement with its President and Chief Executive Officer, effective October 1, 2013 whereby it will issue 83,333 shares of common stock each month for services rendered based at the rate of $0.03 per share, the market value of the shares on September 30, 2013 for six months. As of September 30, 2014, the Company recognized $15,000 in compensation expense.

Stock Issuance
In the first quarter of 2013 the Company issued 10,000,000 shares of restricted stock to its then chief executive officer for services valued at market of $0.18 per shares on date of issuance. The Company is showing that expense of $1,800,000 in stock for services in the statement of operations. In the second quarter of 2013, the Company issued 25,000,000 shares of restricted stock to its then chief executive officer for services valued at market of $0.07 per share for a total of $1,750,000 and shown in the statement of operations as stock for services. These 25,000,000 shares were subsequently canceled in the third quarter of 2013.

Note 6-STOCKHOLDERS' EQUITY

Issuance of common stock
The Company at inception issued 225,606 shares for cash of $2,500. In September 2012 the Company issued 14,961,000 shares for debt conversion valued at the market price of the stock at date of issuance of $0.25 per share and shown on the financials in the statement of operations.

In October 2012 the Company issued 45,000,000 shares to effectuate the reverse merger and cancelled 125,000 shares.

In the first quarter of 2013 the Company issued 10,000,000 shares to its then chief executive officer for services valued at market of $0.18 for a total of $1,800,000 as stock for services.

In the second quarter of 2013 the Company issued 25,000,000 shares to its then chief executive officer for services valued at market price of $0.07 per share for a total of $1,750,000 as stock for services. These shares were subsequently canceled and returned to the Company in the third quarter of 2013.

In the first quarter of 2014 the Company issued 500,000 shares to its then chief executive officer for services valued at market price of $0.03 per share for a total of $15,000 as stock for services as per the employment agreement.

Preferred Stock
The Company has authorized 5,000,000 shares of preferred stock with a par value of $.001. There are no shares issued.

Note 7 –INCOME TAX

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

As of September 30, 2014 and 2013, The Company had NOL's to offset future taxable income in the US. Federal NOLs can generally be carried forward 20 years. The deferred tax assets for the NOL's at September 30, 2014 and 2013 were fully reserved. Management believes it is more likely than not that these assets will not be realized in the near future.

Note 8– SUBSEQUENT EVENTS
Management has evaluated events subsequent through October 25, 2014 for transactions and other events that may require adjustment of and/or disclosure in such financial statements. Management determined that there were no reportable subsequent events to be disclosed.