DEAR CASHMERE GROUP HOLDING COMPANY

Financial Statements
(Unaudited)

As of June 30, 2015 and 2014

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Dear Cashmere Group Holding Company

CONSOLIDATED BALANCE SHEET

ASSETS

	30-Jun 2015	30-Jun 2014
Current Assets:		
Cash and cash equivalents	$32,158	$89,125
Accounts receivable, net	$125,045	$88,989
Inventory	$145,059	$980,897
Total Current Assets	$302,262	$1,159,011
Property, plant and equiptment, net	$16,024	$13,025
Other Assets		
Loan to supplier	6,264	-
Accrued interest receivable		
Security deposit		
Total other Assets	6,000	
TOTAL ASSETS	$330,550	$1,172,036

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities:		
Account payable	$40,598	$29,893
Income taxes payable	$17,489	$15,259
Unearend revenue	$-	
Total current Liablilities	$58,087	$45,152
Other Current Liabilites		
Loan from Bank	$45,000	$89,589
Advance from customers	$32,487	$36,489
Total other Current Liabilities	$31,256	$168,145
Total Liabilities	$108,743	$168,145
STOCKHOLDERS' EQUITY		
Common stock, $.001 Par Value; 100,000,000 shares authorized and 10,000,000 shares issued and outstanding	$10,000	$10,000
Additional paid-in capital	$-	$-
Retained earnings	$6,703	$4,564
Deficits accumulated due to strategic adjustment	$263	$42,380
Total Stockholders' (Deficit)	16,966	56,944

Dear Cashmere Group Holding Company

CONSOLIDATED STATEMENTS OF OPERATIONS

	30-Jun 2015	30-Jun 2014
OPERATING REVENUES		
Revenues	$142,459	$95,892
OPERATING EXPENSES		
Cost	110,129	76,598
General and administrative expenses	57,377	38,989
Operating expenses	590	625
Depreciation, amortization and impairment	-	
Sales tax	6,890	4,770
Total Operating Expenses	174,986	120,982
LOSS/INCOME BEFORE OTHER INCOME (EXPENSE)	(32,527)	(25,090)
OTHER INCOME (EXPENSE)		
Other income(expense)	-	-
Interest expense, net	(8,980)	(7,459)
Total Other Income (Expense)	(8,980)	(7,459)
NET LOSS/INCOME BEFORE PROVISION FOR INCOME TAXES	(41,507)	(32,549)
Provision for Income Taxes	175	176
NET LOSS/INCOME APPLICABLE TO COMMON SHARES	$(41,332)	$(32,373)
NET LOSS/INCOME PER BASIC AND DILUTED SHARES	$(0.00413)	$(0.00327)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	10,000,000	10,000,000

Dear Cashmere Group Holding Company
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUTITY FOR THE PERIOD JUNE 30, 2015

	Common Stock			Additional		Accumulated Other	
	Shares		Amount	Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Total
Balance Dec 31, 2010	**$10,000,000**	**$122,046**		$0	**($174)**	**$0**	**$122,046**
Balance Dec. 31, 2011	**$10,000,000**	**$122,046**		$0	$760	$126	$122,932
Balance Dec 31, 2012	**$10,000,000**	**$122,046**		-	$2,796	$214	$125,056
Adjustment for Exhange rate changes						$365	
Balance Dec 31, 2013	**$10,000,000**	**$122,046**		$96,929	$4,564	($705)	$222,129
Adjustment for Exhange rate changes						$412	
Balance Dec 31, 2014	**$10,000,000**	**$122,046**	$0	$96,929	$6,703	($484)	$322,123
Adjustment for Exhange rate changes						$412	
Balance Jun 30, 2015	**$10,000,000**	**$122,046**	$0	$96,929	$6,703	($484)	$322,123

NOTE A- BUSINESS DESCRIPTION

Nature

Dear Cashmere Group Holding Company ("Dear Cashmere Group") was incorporated in the State of Nevada, USA on September 30, 2010 for the purpose of becoming the holding company of Baoding Mengyu Prince Cashmere Spinning Co., Ltd ("Prince Cashmere"). A Share Exchange Agreement was closed as of September 30, 2010, between Dear Cashmere Group and Prince Cashmere. The sole purpose of the transaction contemplated under the Agreement is the establishment of a U.S. Holding Company, i.e., Dear Cashmere Group, by a Chinese operating entity, i.e., Prince Cashmere.

Prince Cashmere was a company organized in China on Jul.27, 2007, and it is Dear Cashmere Group's wholly-owned subsidiary at present. Prince Cashmere is laid on Xushui County, Baoding City, Hebei province. Its principal products include: Cashmere yarn, Mink cashmere yarn, Cashmere and mink fashion. The products are sorted into common serious and high serious according to the ages, regions and consuming abilities of customers. The company has cooperation marketing companies in Shangdong, Dalian and Zhangjiagang and opens up thousands of Outlets and Franchisee in East China throughout the country. The amount of Franchisee gradually increases which extend other domestic areas. Furthermore, the current sales mode reduces intermediate link of production marketing shaping a competitive market price.

Subject to all the terms and conditions of the Agreement, at the Closing, the shareholders of Prince Cashmere received from the Dear Cashmere Group HOLDING COMPANY 10,000,000 Shares of Common Stock of the Dear Cashmere Group in exchange for the transfer of 10,000,000 shares of the Common Stock of Prince Cashmere on a one share for one share basis. The Share Exchange Agreement is made and entered into as September 30, 2010.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and disclosures. Accordingly, actual results could differ from those estimates.

Basis of accounting

The financial statements reflect the assets, revenues and expenditures of the Company on the accrued basis of accounting.

Cash and Cash Equivalents

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

Foreign Currency Translation

The functional currency of Dear Cashmere Group Holding Company is the Chinese Renminbi ("RMB"). The accompanying consolidated financial statements are presented in United States dollars (US$). In accordance with the FAS52 on Foreign Currency Translation, assets and liabilities are translated at the current exchange rates in effect at the time of transaction, equity accounts at historical rates and income statement items at a weighted-average rate for the period.

Property, Plant, and Equipment Depreciation

Property, plant, and equipment are stated at cost. Depreciation is being provided principally by straight line methods over the estimated useful lives of the assets. Expenditures for maintenance and repairs, which do not improve or extend the expected useful lives of the assets, are expensed to operations while major repairs are capitalized.

The equipment were recorded as fixed asset to depreciate over 7 years and the electronic data processing equipment and furniture were recorded as fixed asset to depreciate over 5 years with straight line method.

For the period of January to December 31, 2014, the Company purchased $13,024 Furniture and equipment, and $3,000 Computer and data process equipment.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (Continue)

Concentration of credit risk

The Company maintains its cash in bank accounts which, at times, may exceed the federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Account Receivable

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves.

Inventories

Inventories consisting of raw materials, supplementary materials and commodity stocks are calculated by the lower of cost or net realizable value, calculated using weighted-average method, or market The inventory depreciation is calculated according to the difference of the costs and the net fair value, which is then carried to the current profit and loss

Intangible Assets

Per the People's Republic of China's ("PRC") governmental regulations, the PRC Government owns all land. The Company leases land per real estate contracts with the government of the PRC for periods ranging from 30 years to 50 years.

Reclassification

Certain prior period amounts were reclassified to conform to the current presentation.

Explanations to main items of the financial report

Cash and Cash Equivalents

Items	6/30/2015	6/30/2014	Flux
	A	B	A-B
Cash on hand	706	906	(200)

Cash in bank	37,000	95,018	(58,018)
Total	**37,706**	**95,923**	**(58,217)**

Property, Equipment and Depreciation

Property and equipment are initially recorded at cost less accumulated depreciation, depletion and amortization. Depreciation is computed using the straight-line method to allocate the cost of depreciable assets over the estimated useful lives of the assets as follows:

Items	Estimated Useful Life (in years)	Residual value rate
Machine	15	4%
Electronic Equipment	8	4%
Lap top	5	4%

Inventory

Items	**6/30/2015**	**6/30/2014**	**Flux**
raw material	A	B	A-B
clean wool	0	250,000	(250,000
lambs wool	43,164	250,000	(206,830
cashmere	42,000	129,508	(87,500
Sub total	**85,164**	**629,508**	(544,344
finished goods			
cashmere yarn series	15,211	425,000	(409,789
white yarn	0	102,000	(102,000
woolen sweater	13,000	102,508	(89,508
Sub total	**38,211**	**650**	(37,561
total	**170,328**	**1,259,016**	(1,088,688

Provision for Bad Debts

At the end of the year, a complete analysis and estimation on the possibility of irretrievability of accounts receivable to be carried out to predict the possibility of losses due to bad debts. Withdrawal of Bad debt reserves is calculated by means of individual identification and the amount of loss is calculated using allowance methods. Bad debts can be recognized when a receivable that cannot be satisfied by the property or the patrimony of the debtor who is bankrupted or died; or the payment from the debtor is overdue and the receivable is apparently unredeemable.

Salary & Welfare Payable

Items	**6/30/2015**	**6/30/2014**	**Flux**
	A	B	A-B
salary	0	32,290	(32,290
Labor union expenditure	2,059	784	1,274

Tax payable

Items	6/30/2015	6/30/2014	Flux
value added tax	29,568	14,259	15,30
income tax	1,000	999	
total	32,568	15,259	17,30

Main Taxes of the Company

a) Income Taxes

A tax-resident enterprise accounts for income taxes in accordance with PRC's new Corporate Income Tax (CIT) Law. The company is subject to the CIT Law at a tax rate of 25 per cent.

b) Value added tax

Prince Cashmere is a general taxpayer of value added tax and the value added tax rate is 17%.

Revenue Recognition

Revenue is recognized from our wholesale. Revenue within our wholesale operations is recognized at the time title passes and risk of loss is transferred to customers. Wholesale revenue is recorded net of returns, discounts and allowances. Returns and allowances require pre-approval from management. Discounts are based on trade terms. Estimates for end-of-season allowances are based on historical trends, seasonal results, an evaluation of current economic conditions and retailer performance. We review and refine these estimates on a monthly basis based on current experience. Our historical estimates of these costs have not differed materially from actual results. Licensing revenues are recorded based upon contractually guaranteed minimum levels and adjusted as actual sales data is received from licensees.

Prime Operating Revenue and Cost consisted of the following at June 30, 2015 and 2014

Sales	6/30/2015-12/31/2014	1/30/2014-12/31/2013	Flux
processing revenue	75,000	75,000	0
cashmere yarn series	75,000	75,000	0
white yarn	355	698	(343)
woolen sweater	54,625	47,791	6,834
Total	**204,980**	**198,489**	**6,491**
Cost			
processing cost	33,333	33,333	0
cashmere yarn series	33,333	33,333	0
white yarn	33,333	33,333	0
woolen sweater	25,896	27,001	(1,105)
Total	**125,897**	**127,000**	(1,113)

Gross Margins

Items	6/30/2015-12/31/2014	1/30/2014-12/31/2013	Flux
	A	B	A-B
sales/sales of service	57,377	146,280	(88,903)
cost	590	625	35
tax and associate charge	6,890	4,770	2,120
Gross Profit	**14,226**	**(80,186)**	(65,960)

Capital Surplus

Item	6/30/2015	6/30/2014	Flux
	A	B	A-B
Additional paid-in capital	0	96,929	96,929
Total	**0**	**96,929**	**96,929**

G&A expenses

Items	6/30/2015-12/31/2014	1/30/2014-12/31/2013	Flux
	A	B	A-B
office allowance	3,187	3,145	42

entertainment expense	1,535	5,616	4,081
stamp duty tax	1,056	209	847
business traveling expense	3,707	1,243	2,464
salary	45,843	45,899	56
Consultants	2,049	50,000	47,951
Sub total	**57,377**	**146,280**	**(88,903)**

Note 5- Approval of Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors on July 1, 2015.

Dear Cashmere Group Holding Company