Potnetwork Holdings, Inc.

Unaudited Financial Statements

As of December 31, 2015

Potnetwork Holdings, Inc.
Unaudited Balance Sheets
As of December 31, 2015 and December 31, 2014

ASSETS	**December 31 2015**	**December 31 2014**
Current Assets		
Cash	$1,083	$100
Other assets	$710	$0
Inventory Automobiles	$70,000	$0
Total Current assets	**$71,793**	$100
Fixed Assets, net (Note 2)	$4,800	$9,600
Deposits	$28,922	0
Auto Loans Receivable (Includes Princiapl, Interest & Banks)	$1,919,419	0
TOTAL ASSETS	**$2,024,934**	**$9,700**
LIABILITIES		
Current Liabilities		
Accounts Payable and accrued liabilities	**$10,378**	**$11,700**
Car Financial Payable	520,000	0
Total Current Liabilities	**$530,378**	$11,700
Loans From Third Parties (Note 3)	125,000	209,847
Note Payable (Note 4)	1,850,000	320,000
Total Liabilities	**$2,505,378**	**$529,847**
STOCKHOLDERS EQUITY		
Common Stock		
Authorized 8,000,000,000 shares,$ .0001 par value; and 7,621,650,000 Issued and outstanding at December 31, 2015 and 5,399,150,321 Issued and outstanding and December 31, 2014 respectively.	$87,573	$87,573
Preferred Stock : Class D Preferred Stock.		
Authorized – 6,000 shares $ .0001 par value; and		
460 Issued and outstanding at December 31, 2015 and		
NONE Issued and outstanding at December 31, 2014, respectively.	$200	$200
Preferred Stock : Class E Preferred Stock		
Authorized - 20,000,000 shares,$.00001 par value; and **6,209,236** Issued and outstanding as of December 31, 2015 and NONE Issued and outstanding as of December 31, 2014 respectively.	$200	$200
Additional paid in capital	1,595,532	2,275,003
Retained Earnings (Deficit) Sunrise	$738,424	$0
Retained Earnings (Deficit) POTN	($2,902,373)	($2,902,373)
Retained Earnings (Deficit) Consolidated	**(2,163,949)**	**(2,902,373)**
	(480,444)	(539,547)
Total Liabilities & Stockholders Equity	**$2,024,934**	**$9,700**

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

Potnetwork Holdings, Inc.
Unaudited Statement of Income
For the year ended December 31, 2015 and 2014

	Year Ended December 31 2015	Year Ended December 31 2014
Sales	**$5,504,040**	**$102,382**
Cost of Sales	$2,649,614	$0
Gross Margin	**$2,854,426**	**$102,382**
Expenses:		
Salary, Payroll & Benefits	$622,707	$0
General and Administrative	185,206	99,237
Legal & Professional	43,454	11,700
Advertising	290,919	0
Supplies	5,253	3,145
Rent	140,012	0
Interest	120,449	34,327
Depreciation	4,800	4,800
Total Expenses	$1,412,800	$153,209
Profit (Loss) before change in accounting for Accounts Receivables.	**$1,441,626**	**($50,827)**
Bad Debt Expense: (One time Expense charge for major change in accounting for Accounts Receivable.)	**$703,202**	**$0**
Profit (Loss) before income taxes	**$738,424**	**($50,827)**
Provision for income taxes (Note 1)	**$0**	**$0**
Net Profit (Loss)	**$738,424**	**($50,827)**

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Potnetwork Holdings, Inc.
Unaudited Statement of Cash Flows
For the years ended December 31, 2015 and 2014

	Year Ended December 31 2015	December 31 2014
OPERATING ACTIVITIES		
Net Income (Loss)	**$738,424**	**($50,827)**
Add:		
Depreciation	4,800	4,800
Adjustments to reconcile net income (loss)		
Decreases (Increases)		
Notes receivable	-	-
Inventory	-	-
Fixed Assets	-	-
Other Assets	-	-
Accts payable	1,322	11,625
Notes Payable	-	-
Net cash (used in) operating activities	(1,444,121)	(34,402)
Bad Debt Expense - Write-off for Change in Accounting	$703,202	
CASH FLOWS FROM INVESTING ACTIVITIES		
(decrease) in deferred development costs		
Increase in assets	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Proceeds from issuance of common stock		27,502
Proceeds from additional paid in capital	-	-
Net cash (used in) financing activities		27,502
NET INCREASE (DECREASE) IN	**$983**	**($6,900)**
Cash, Beginning	**100**	**7000**
Cash, Ending	**$1,083**	**$100**

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Potnetwork Holdings, Inc.
Unaudited Statement of Stockholders Equity
As of December 31, 2015

Description	Common Stock Shares	Preferred Shares	Common Amount	Additional Paid-In Capital	Accum Equity (Deficit)	Total Stockholders
Balance December 31,2013	**5,671,159,696**	**1,000,000**	**$87,573**	**$2,545,527**	(2,851,546)	(2,445,476)
Shares Retired	**(3,000,000,000)**					
Shares Retired		**(1,000,000)**				
Shares Issued	**798,681,000**			**(53,000)**		
Shares Issued	**2,727,990,625**			**(217,424)**		
Net Profit (Loss)					(50,827)	(50,827)
Balance December 31,2014	**5,399,150,321**	**0**	**$87,573**	**$2,275,003**	**($2,902,373)**	**($2,496,303)**
		1,500 (1)				
Shares Issued	**2,222,499,679**	**6,209,236(2)**		**(679,471)**		
Net Profit (Loss)					**$738,424**	**$738,424**
Balance December 31,2015	**7,621,650,000**	**6,209,236 460**	**$87,573**	**$1,595,532**	**($2,163,949)**	**($2,496,303)**

(1) Preferred Class D Shares
(2) Preferred Class E Shares

The accompanying notes are an integral part of these financial statements

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Effective July 24, 2015 the company changed its name to PotNetwork Holdings Incorporated and changed to a new ticker symbol "POTN."
PotNetwork Holdings Inc (the "Company") was incorporated in the State of Wyoming. PotNetwork Holdings, Inc has two wholly owned subsidiaries, PotNetwork Inc and Sunrise Auto Mall Inc. Sunrise Auto Mall, Inc is a pre-owned auto dealership started in July 2014.

Cash and Cash Equivalents

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

Fixed Assets

Furniture, fixtures and computer equipment is recorded at cost.
Depreciation is computed by the straight line and accelerated methods over the estimated lives of the assets ranging from three to seven years. Expenditures for maintenance and repairs are charged to operations as incurred.

Income Taxes

The Company accounts for income taxes using the provisions of Statement of Financial Accounting Standards ("SFAS") No.109, Accounting for Income Taxes. Under this standard, deferred tax assets and liabilities represent the estimated tax effects of future deductible or taxable amounts attributed to differences between the financial statements carrying amounts and the tax bases of existing assets and liabilities. The standard also allows recognition of income tax benefits for loss carryforwards, credit carryforwards and certain temporary differences for which tax benefits have not previously been recorded. Valuation allowances are provided for uncertainties associated with deferred tax assets. **The company has a substantial Tax NOL, "Net Operating Loss" which will offset tax liabilities in the current period for the 12 months ended December 31, 2015.**

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

Note 2 – FIXED ASSETS, NET:

The Company's equipment consists of the following:

	December 31 2015	December 31 2014
Office equipment	$24,000	$24,000
Less accumulated depreciation	(19,200)	(9,600)
Total Fixed Assets	**$4,800**	**$14,400**

Depreciation expense of $ 4,800 was charged to operations for the year ended December 31,2015 and $ 4,800 charged in December 31, 2014, respectively.

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

Note 3 – Loans from Third Parties

These loans bear 8% interest per annum
and have terms of demand repayment.

	December 31 2015	December 31 2014
Loan from Third Parties - K.N.	112,000	104,000
Loan from Third Parties - J.C.	13,000	0
Total Loans from Third Parties	**$125,000**	**$209,847**

K.N. Is holder of a note dated September 11, 2012 in the original principal amount of $ 100,000. Part of the original note was acquired in a private transaction in June 2014. The security derives from 3 convertible Promissory Notes dated March 25, 2010 amount $ 150,000, November 4, 2010 amount $ 50,000, and March 11, 2011 amount $ 25,000. The balance of the note at December 31, 2015 is $ 112,000, including 2015 interest of $ 12,000.

Notes 4 – Note Payable

	December 31 2015	December 31 2014
S.N.D.	$1,850,000	$0
Total Note Payable	**$1,850,000**	**$0**

S.N.D. is the holder of a Promissory Note with the company as a Convertible Promissory Note in the principal amount of $ 1,850,000 pursuant to the terms of a securities purchase agreement dated of even date therewith. The note was acquired and assigned in July 2015. The security derives from an original promissory note dated June 2, 2014. The note accrues interest at the annual rate of eight percent (8%). The balance of the note at December 31, 2015 is $ 1,850,000, Interest expense paid in 2015 was $ 112,449.

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