



ALUF HOLDINGS, INC.



CONDENSED FINANCIAL STATEMENTS

**For the period ended
June 30, 2018 and 2017 (Restated)**

RESTATED CONDENSED FINANCIAL INFORMATION

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ALUF HOLDINGS, INC.
RESTATED CONDENSED BALANCE SHEET

	June 30, 2018	2017 Restated
Current Assets		
Cash	-	-
Accounts receivable	3,000	3,000
Prepaid expenses and other current assets	<u>147,187</u>	<u>215,287</u>
Total current assets	150,187	218,287
Other Assets	3,450,000	3,450,000
Fixed Assets, net	<u>-</u>	<u>-</u>
Total assets	<u><u>3,600,187</u></u>	<u><u>3,668,287</u></u>
Current Liabilities		
Accounts payable and accrued expenses	<u>835,577</u>	<u>1,407,650</u>
Total current liabilities	835,577	1,407,650
Long Term Notes Payable	<u>362,723</u>	<u>444,514</u>
Total Liabilities	1,198,300	1,852,164
Shareholders' Deficit		
Preferred stock, \$.001 par value; 53,178,001 shares authorized June 30, 2018 and 2017 respectively:		
Series A: 175,000 shares issued and outstanding at June 30, 2018 and 2017, respectively	175	175
Series B: 73,003,000 and 17,055,000 shares issued and outstanding at June 30, 2018 and 2017, respectively	73,003	17,055
Series D: 3,001 shares issued and outstanding at June 30, 2018 and 2017, respectively	3	3
Series E: 0 and 4 shares issued and outstanding at June 30, 2018 and 2017, respectively	-	-
Common stock, \$.001 par value; 3,946,821,989 shares authorized; 3,901,603,000 and 3,856,703,000 issued and outstanding June 30, 2018 and 2017, respectively	3,901,603	3,856,703
Treasury stock, \$.001 par value; 141,000 shares authorized at June 30, 2018 and 2017, respectively	(141)	(141)
Additional paid-in-capital	16,574,681	15,801,860
Unearned compensation costs	-	(49,246)
Stock Dividend	(151,931)	(151,931)
Accumulated deficit	<u>(17,995,328)</u>	<u>(17,658,354)</u>
Total shareholders' equity	<u>2,401,887</u>	<u>1,816,123</u>
Total liabilities and shareholders' equity	<u><u>3,600,187</u></u>	<u><u>3,668,287</u></u>

ALUF HOLDINGS, INC
RESTATED CONDENSED STATEMENTS OF OPERATIONS

	For the period ended June 30,	
	2018	2017 Restated
	<u> </u>	<u> </u>
Gross Sales	-	30,275
Cost of Sales	-	-
Net Sales	<u>-</u>	<u>30,275</u>
Operating expenses		
Marketing and advertising	-	-
General and administrative	270,701	182,984
Total operating expenses	<u>270,701</u>	<u>182,984</u>
Net loss before income taxes	<u>(270,701)</u>	<u>(152,709)</u>
Interest expense	-	-
Other income (expense)	-	-
Total other income (expense)	<u>-</u>	<u>-</u>
Net profit (loss)	<u>\$ (270,701)</u>	<u>\$ (152,709)</u>
Weighted average number of shares outstanding	<u>303,922,652</u>	<u>100,609,907</u>
Basic and diluted net income/(loss) per share	<u>(0.0009)</u>	<u>(0.0015)</u>

ALUF HOLDINGS, INC
RESTATED CONDENSED STATEMENTS OF CASH FLOWS

	<u>June 30,</u> <u>2018</u>
Cash flow from operating activities:	
Net income (loss)	\$ (270,701)
Adjustments to reconcile net loss to net cash from operating activities:	
Depreciation and amortization	-
Changes in operating assets and liabilities:	
Decrease in accounts payable, accrued expenses	<u>(729,136)</u>
Net cash provided by (used in) operating activities	(999,837)
Cash flows from financing activities:	
Issuance of stock	999,837
Loans and notes payable	<u>-</u>
Net cash provided by financing activities	<u>999,837</u>
Net increase (decrease) in cash	-
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u><u>\$ -</u></u>
Non-cash financing activities:	
Value of Common stock issued in settlement of debt	<u>\$ 963,500</u>
Stock issued to employees as compensation	<u><u>\$ -</u></u>

ALUF HOLDINGS, INC
RESTATED CONDENSED STATEMENTS OF EQUITY

	Preferred Stock \$.001 Par Value		Common Stock \$.001 Par Value		Treasury Stock \$.001 Par Value		Unearned Comp Cost	Stock Dividend	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity/Deficit
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>					
Balance @ December 31, 2016	17,233,162	\$ 17,233	3,249,689,524	\$ 3,249,689	(140,541)	\$ (141)	\$ (49,246)	\$ (151,931)	\$ 16,231,773	\$ (17,505,645)	\$ 1,791,732
Preferred stock issued in reduction of debt	2	\$ -							\$ 50,000.00		\$ 50,000
Common stock issued for the reduction of debt			93,991,961	\$ 93,992					\$ (68,992)		\$ 25,000
Common stock issued as compensation to Officers			127,521,146	\$ 127,521					\$ (102,521)		\$ 25,000
Stock issued for professional services			385,500,000	\$ 385,500					\$ (308,400)		\$ 77,100
Cancellation of common stock issued as compensation to Officers			(385,500,000)	\$ (385,500)					\$ 308,400		\$ (77,100)
Adjustment due to expired warrants							\$ 49,246		\$ (49,246)		\$ -
Net Loss										\$ (218,981)	\$ (218,981)
Balance @ December 31, 2017	17,233,164	\$ 17,233	3,471,202,631	\$ 3,471,203	(140,541)	\$ (141)	\$ -	\$ (151,931)	\$ 16,061,014	\$ (17,724,626)	\$ 1,672,752
Preferred stock issued in private placement	5,200,000	\$ 5,200							\$ -		\$ 5,200
Net Loss										\$ (107,822)	\$ (107,822)
Balance @ March 31, 2018	22,433,164	\$ 22,433	3,471,202,631	\$ 3,471,203	(140,541)	\$ (141)	\$ -	\$ (151,931)	\$ 16,061,014	\$ (17,832,448)	\$ 1,570,130
Common stock issued to an officer in exchange for accrued compensation			375,000,000	\$ 375,000					\$ 375,000.00		\$ 750,000
Common stock issued to a former officer in exchange for accrued compensation			55,400,000	\$ 55,400					\$ 83,100.00		\$ 138,500
Series B preferred stock issued to an officer in exchange for accrued compensation	37,500,000	\$ 37,500.00							\$ 37,500.00		\$ 75,000
Series B preferred stock issued to a director in exchange for accrued compensation	10,000,000	\$ 10,000.00							\$ 15,000.00		\$ 25,000
Series B preferred stock issued to a director in exchange for prior year cash advances	3,069,610	\$ 3,070							\$ 3,068		\$ 6,137
Net Loss										\$ (270,701)	\$ (270,701)
Balance @ June 30, 2018	73,002,774	\$ 73,003	3,901,602,631	\$ 3,901,603	\$ (140,541)	\$ (141)	\$ -	\$ (151,931)	\$ 16,574,682	\$ (17,995,327)	\$ 2,401,888