

**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2013**  
**FOR**  
**CHINA FOOD AND BEVERAGE COMPANY**

**CHINA FOOD AND BEVERAGE COMPANY**

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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# **CHINA FOOD AND BEVERAGE COMPANY**

## **COMPANY INFORMATION**

### **Incorporation and name change**

China Food and Beverage Company, a Nevada corporation (the “Company”) was incorporated on November 6, 1981 under the laws of the state of Nevada under the name Logos Scientific Inc. On May 5, 1992, the Company changed its name to Logos International, Inc. On October 23, 1995, the Company changed its name to OMAP Holdings Incorporated. On March 31, 1997 the Company change its name to China Food and Beverage Company.

### **Nature of business**

The Company is a shell company.

### **Results of operations**

The Company generated no revenue for the year ended 31 December 2013 nor for the year ended 31 December 2012.

### **Officers of the Company**

President	James A. Tilton
Directors	Jane Zheng Gordon Wilson
Secretary	Jane Zheng

### **Registered agent address**

Corporate Service Center  
5190 Neil Road  
Suite 430  
Reno  
NY 89502

### **Accountants**

WPA Audit Limited  
26 Grosvenor Street  
Mayfair  
London  
W1K 4QW

**CHINA FOOD AND BEVERAGE COMPANY**  
**UNAUDITED BALANCE SHEET**  
**AS AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	December 31, 2013 \$	December 31, 2012 \$
<b>Assets</b>		
Current assets:		
Cash	-	-
	-----	-----
Total current assets	-	-
	=====	=====
Non-current assets:		
Total non-current assets	-	-
	-----	-----
Total assets	-	-
	=====	=====
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	185,194	129,136
Loans payable	3 46,504	46,504
	-----	-----
Total current liabilities	231,698	175,640
	=====	=====
Total liabilities	231,698	175,640
	=====	=====
Stockholders' equity (deficit)		
Common stock:		
100,000,000 shares at \$0.001 par value		
10,912,902 shares issued and outstanding	10,913	10,913
Capital in excess of par value	2,160,735	2,160,735
Retained earnings accumulated prior to development stage	633,605	633,605
Deficit accumulated during the development stage	(3,036,951)	(2,980,893)
	-----	-----
Total shareholders' deficit	(231,698)	(175,640)
	=====	=====
	-----	-----
Total liabilities and stockholders' deficit	-	-
	=====	=====

Approved on behalf of the Board on March 5, 2014 by

.....  
James A Tilton  
President and Director

**CHINA FOOD AND BEVERAGE COMPANY**  
**UNAUDITED STATEMENT OF OPERATIONS**  
**FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	2013 \$	2012 \$	From Inception of Development stage on January 1, 2000 to December 31, 2013 \$
<b>Income</b>	-	-	-
<b>Costs and expenses</b>	-----	-----	-----
Legal and professional	-	-	-
General and administrative	56,058	129,136	1,296,969
	-----	-----	-----
Loss before other expenses	(56,058)	(129,136)	(1,296,969)
	-----	-----	-----
<b>Other Income (Expense)</b>			
Refund tax penalties	-	-	16,237
Interest expense	-	-	(16,296)
Interest income	-	-	13,228
	-----	-----	-----
Total Other Income (Expense)	-	-	13,169
	-----	-----	-----
Loss before tax, extraordinary items and discontinued operations	(56,058)	(129,136)	(1,283,800)
Income tax expenses	-	-	-
	-----	-----	-----
Loss before extraordinary item	(56,058)	(129,136)	(1,283,800)
Gain on disposition of debt	-	-	237,163
	-----	-----	-----
Loss before discontinued operation	(56,058)	(129,136)	(1,046,637)
Loss on discontinued operations	-	-	(1,990,314)
	-----	-----	-----
Net loss	(56,058)	(129,136)	(3,036,951)
Taxation	-	-	-
	-----	-----	-----
Net loss after taxation	(56,058)	(129,136)	(3,036,951)
	=====	=====	=====
Weighted average number of shares	10,912,902	10,912,902	
	\$	\$	
Basic loss per share	(0.00)	(0.01)	
	=====	=====	

**CHINA FOOD AND BEVERAGE COMPANY**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	2013 \$	2012 \$	From Inception of Development stage on January 1, 2000 to December 31, 2013 \$
<b>Cash flows from Operating Activities</b>			
Net loss	(56,058)	(129,136)	(3,036,951)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	-	-	2,149
Discontinued operation	-	-	1,990,314
Gain on settlement of debt	-	-	(237,163)
Fair value warrants granted	-	-	31,315
Common stock issued for services	-	-	50,000
Changes in assets and liabilities:			
Increase in accounts receivable – related party	-	-	(1,602)
Increase in exchange credits	-	-	19,594
Decrease in accounts payable and accrued expenses	56,058	129,136	(391,643)
Increase in related party payable	-	-	12,954
<b>Net cash used by operating activities</b>	----- -	----- -	----- (1,561,033) -----
Cash flows from investing activities:			
Increase in interest receivable	-	-	4,194
Proceeds from sale of exchange credits	-	-	419,980
Increase in note receivable	-	-	(82,592)
Receipts of payment on note receivable	-	-	80,000
<b>Net cash provided by Investing Activities</b>	----- -	----- -	----- 421,582 -----
Cash flows from financing activities:			
Loss of cash from discontinued operations	-	-	(424,757)
Common stock issued	-	-	1,201,473
Proceeds from related party	-	-	129,474
Increase in notes payable	-	-	(323,011)
<b>Net cash provided by financing activities</b>	----- -	----- -	----- 583,179 -----
<b>Net increase / (decrease) in cash and cash equivalents</b>	-	-	(556,272)
Beginning cash and cash equivalents	-	-	(556,272)
<b>Ending cash and cash equivalents</b>	=====	=====	=====

**CHINA FOOD AND BEVERAGE COMPANY**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	<b>2013</b>	<b>2012</b>	<b>From</b>
	<b>\$</b>	<b>\$</b>	<b>Inception of</b>
			<b>Development</b>
			<b>stage on</b>
			<b>January 1,</b>
			<b>2000 to</b>
			<b>December 31,</b>
			<b>2013</b>
			<b>\$</b>
Cash paid For:			
Interest	-	-	3,000
Income taxes	-	-	-
Schedule of Non-Cash Financing Activities:			
Warrants issued at fair market	-	-	31,315
Common stock issued for services	-	-	50,000

**CHINA FOOD AND BEVERAGE COMPANY**

**UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
AS AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	<b>Common stock shares</b>	<b>Common stock Amount \$</b>	<b>Capital in excess of par value \$</b>	<b>Other comprehensive income \$</b>	<b>Accumulated Deficit \$</b>
Balance, December 31, 1999	5,546,505	5,547	872,070	8,421	633,605
Common stock issued for cash @ \$1.00 per share	50,000	50	49,950	-	-
Common stock issued for cash @ \$1.00 per share	200,000	200	199,800	-	-
Common stock issued for cash @ \$0.50 per share	200,000	200	99,800	-	-
Common stock issued for cash @ \$0.25 per share	400,000	400	99,600	-	-
Common stock issued for cash @ \$0.25 per share	800,000	800	199,200	-	-
Common stock issued for cash @ \$0.25 per share	800,000	800	199,200	-	-
Common stock issued for cash @ \$0.10 per share	2,000,000	2,000	198,000	-	-
Common stock issued for cash @ \$0.10 per share	1,000,000	1,000	99,000	-	-
Related party forgiveness of interest	-	-	11,244	-	-
Change in currency translation	-	-	-	(8,421)	-
Net loss for the year ended December 31, 2000	-	-	-	-	(2,039,898)
	-----	-----	-----	-----	-----
Balance, December 31, 2000	10,996,505	10,997	2,027,864	-	(1,406,293)
Cancelled share ( Note 6)	(717)	(1)	-	-	-
Common stock issued for cash @ \$0.10 per share	500,000	500	49,500	-	-
Cancelled shares (Note 6)	(2,100,000)	(2,100)	2,100	-	-
Net loss for the year ended December 31,2001	-	-	-	-	(290,762)
	-----	-----	-----	-----	-----
Balance, December 31, 2001	9,395,788	9,396	2,079,464	-	(1,697,055)
Warrants granted at fair market value (Note 6)	-	-	31,315	-	-
.....cont					



**CHINA FOOD AND BEVERAGE COMPANY**

**UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
AS AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	Common stock shares	Common stock Amount \$	Capital in excess of par value \$	Other comprehensive income \$	Accumulated Deficit \$
Net loss for year ended December 31, 2002	-	-	-	-	(272,296)
	-----	-----	-----	-----	-----
Balance December 31, 2002	9,395,788	9,396	2,110,779	-	(1,969,351)
Common stock, issued upon cashless exercise of warrants (Note 6)	500,891	501	(501)	-	-
Net loss for the year ended December 31, 2003	-	-	-	-	(210,770)
	-----	-----	-----	-----	-----
Balance December 31, 2003	9,896,679	9,897	2,110,278	-	(2,180,121)
Net loss for the year ended December 31, 2004	-	-	-	-	(204,775)
	-----	-----	-----	-----	-----
Balance December 31, 2004	9,896,679	9,897	2,110,278	-	(2,384,896)
Common stock issued for services @\$0.10 per share (Note 6)	500,000	500	49,500	-	-
Net loss for the year ended December 31, 2005	-	-	-	-	(233,833)
	-----	-----	-----	-----	-----
Balance, December 31, 2005	10,396,679	10,397	2,159,778	-	(2,618,729)
Common stock issued @\$0.06 (Note 6)	16,223	16	957	-	-
Net profit for year ended December 31, 2006	-	-	-	-	402,559
	-----	-----	-----	-----	-----
Balance, December 31, 2006	10,412,902	10,413	2,160,735	-	(2,216,170)
Net loss for year ended December 31, 2007	-	-	-	-	(617)
	-----	-----	-----	-----	-----
Balance, December 31, 2007	10,412,902	10,413	2,160,735	-	(2,216,787)
Common stock issued @\$0.001 (Note 6)	500,000	500	-	-	-
	-----	-----	-----	-----	-----

**CHINA FOOD AND BEVERAGE COMPANY**

**UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
AS AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

	<b>Common stock shares</b>	<b>Common stock Amount \$</b>	<b>Capital in excess of par value \$</b>	<b>Other comprehensive income \$</b>	<b>Accumulated Deficit \$</b>
Net profit for year ended December 31, 2008	-	-	-	-	59,343
	-----	-----	-----	-----	-----
Balance, December 31, 2008	10,912,902	10,913	2,160,735	-	(2,157,444)
Net loss for the year ended December 31, 2009	-	-	-	-	(60,650)
	-----	-----	-----	-----	-----
Balance, December 31, 2009	10,912,902	10,913	2,160,735	-	(2,218,094)
Net loss for the year ended December 31, 2010	-	-	-	-	(58)
	-----	-----	-----	-----	-----
Balance, December 31, 2010	10,912,902	10,913	2,160,735	-	(2,218,152)
Net loss for the year ended December 31, 2011	-	-	-	-	-
	-----	-----	-----	-----	-----
Balance, December 31, 2011	10,912,902	10,913	2,160,735	-	(2,218,152)
Net loss for the year ended December 31, 2012	-	-	-	-	(129,136)
	-----	-----	-----	-----	-----
Balance, December 31, 2012	10,912,902	10,913	2,160,735	-	(2,347,288)
Net loss for the year ended December 31, 2013	-	-	-	-	(56,058)
	-----	-----	-----	-----	-----
Balance, December 31, 2013	10,912,902	10,913	2,160,735	-	(2,403,346)
	-----	-----	-----	-----	-----
Retained earnings accumulated prior to the development stage					\$633,605
Deficit accumulated during the development stage					(3,036,951)
					-----
					\$2,403,346
					-----

# CHINA FOOD AND BEVERAGE COMPANY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation and Going Concern**

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America (US GAAP) applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Directors have decided to explore other new opportunities for growth. Based on any such activities, the Directors will determine any future cash requirements of the Company and the manner in which such funds will be raised. Any incidental obligations that arise will be funded by Directors loans to the Company. Therefore the continuation of the Company in its present form as a going concern is dependent upon the continued financial support from its directors and officers. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **Revenue Recognition**

The Company currently has no source of revenues. Revenue recognition policies will be determined when principal operations begin.

#### **Taxes on Income**

The Company has adopted the provision of SFAS No. 109 "Accounting for Income Taxes". It requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. If it is more likely than not that some portion, or all if a deferred tax asset, will not be realized, a valuation allowance is recognized. The Directors have considered the deferred tax position of the Company in respect of accumulated losses and have decided not to recognise any deferred tax assets at this time until future revenues become more certain.

#### **Net Income Per Share**

Basic loss per share is based on the average number of shares outstanding during each year retroactively adjusted to give effect to all stock splits.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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.

### 2. Development Stage Company

The Company re-entered the development stage on January 1, 2000.

### 3. Loan Liabilities

Loans liabilities represent loan notes payable.

### 4. Related Party Transactions

During the year ended 31 December 2013, there have been no related party transactions.

## CHINA FOOD AND BEVERAGE COMPANY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

#### 5. COMMITMENTS AND CONTINGENCIES

There is no outstanding litigation in which the Company is involved and the Company is unaware of any pending actions or claims against it.

#### 6. COMMON STOCK

The details of the Company's Common Stock at 31 December 2013 are as follows:

	<b>Number of Shares</b>
Common \$0.001 par value:	100,000,000
Issued and outstanding	10,912,902

##### **Common stock Issuances and Cancellations**

On January 29, 2001, the Company cancelled 717 shares of its common stock pursuant to a settlement agreement with a shareholder.

On April 25, 2001, the Company issued 500,000 shares of its common stock at \$0.10 per share for a total of \$50,000.

On May 11, 2001, the Company cancelled 2,100,000 shares of its common stock.

On November 5, 2003, the Company issued 500,891 shares of common stock as a cashless exercise of an outstanding warrant to purchase 550,000 share of common stock.

On March 22, 2005, the Company issued 500,000 share of common stock at \$0.10 per share for a total of \$50,000 in exchange for services.

In January, 2006, the Company issued 16,223 share of common stock at \$0.06 per share for a total of \$973.

In December, 2008, the Company issued 500,000 share of common stock at par \$0.001 for a total of \$500.

##### **Issue of Warrant**

On March 5, 2002, the Company issued a warrant to a non-employee. The warrant allowed the holder to purchase 550,000 shares of common stock at an exercise price of \$0.06 per share, and would expire five years from the date of issuance.

The Company applied SFAS No. 123 for warrants issued, which required the Company to estimate the fair value of each warrant issued at the grant date by using the Black-Scholes pricing model with the following assumptions:

Risk-free interest rate	3.5%
Expected life	3 years
Expected volatility	1.71
Dividend yield	0.0

As a result of applying SFAS No. 123, the Company recorded an expense of \$31,315 during the year ended December 31, 2002. The expense is included in general and administrative expense in the statement of operations.

As at December 31, 2002, this was the only warrant issued and outstanding. This warrant was exercised in November 2003.

#### 7. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.