



ALAS International Holdings, inc.
(Previously ALAS Defense Systems, Inc.)
Financial Statements
(unaudited)
For the Years Ended June 2012 and June 2011

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ALAS International Holdings, Inc.
(A Development Stage Enterprise)
Consolidated Balance Sheets

	June 30, 2012 (unaudited)	June 30, 2011 (unaudited)
Assets		
Current Assets		
Cash	\$ 30,392	\$ 413
Loan Receivable Affiliate	417,038	-
Prepaid expenses	509,072	769,105
Total current assets	<u>956,502</u>	<u>769,518</u>
Property & equipment, net of accumulated depreciation of \$551,179 and \$200,515, respectively	7,801,168	8,001,496
Intangible property, net of accumulated amortization, respectively	4,259,536	-
Total Assets	<u>\$ 13,017,206</u>	<u>\$ 8,771,014</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Account payables	\$ 284,700	\$ -
Accrued expenses	10,643	489,702
Notes payable	230,000	80,000
Loans and notes payable, related parties	-	53,980
Total current liabilities	<u>525,343</u>	<u>623,682</u>
Stockholders' Equity		
Preferred Stock:		
Preferred Stock, Series A: 1,000,000 shares authorized; \$.10 par value; 0 and 0 issued and outstanding	-	-
Preferred Stock, Series B: 5,000,000 shares authorized; \$.001 par value; 1,800,000 and 0 issued and outstanding	1,800	1,800
Common Stock, \$.001 par value, 494,000,000 shares authorized; 369,510,970 issued, restricted 153,777,312 and unrestricted 160,813,658	230,511	34,138
Additional paid-in capital	14,111,604	9,263,707
Accumulated deficit	(1,853,053)	(1,152,313)
Total stockholders' equity	<u>12,491,863</u>	<u>8,147,332</u>
Total Liabilities and Stockholders' Equity	<u>\$ 13,017,206</u>	<u>\$ 8,771,014</u>

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

ALAS International Holdings, Inc.
(A Development Stage Enterprise)
Consolidated Statements of Operations
(unaudited)

	For the Years Ended June 30,	
	2012	2011
Revenues	\$ 535,273	\$ 763,295
Operating expenses:		
Compensation	246,544	228,740
Consulting	443,858	531,263
Professional fees	2,975	40,175
General and administrative	92,726	66,189
Public expense	37,015	62,439
Amortization and depreciation	200,281	187
Total operating expenses	<u>1,023,399</u>	<u>928,993</u>
Other income (expense):		
Interest expenses	(201,970)	(56,179)
Loss from stocks		
Gain(Loss) Currency Conversion		
Total other income (expense)	<u>(201,970)</u>	<u>(56,179)</u>
Loss from operations before income taxes	(690,096)	(221,877)
Provision for income taxes		
Net loss	<u>\$ (690,096)</u>	<u>\$ (221,877)</u>
Earnings (loss) per share:		
Basic	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding		
Basic	230,510,970	34,138,000

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ALAS International Holdings, Inc.
(A Development Stage Enterprise)
Unaudited Statement of Stockholders' Equity

	Preferred		Common		Additional	Accumulated	
	shares	\$.001 par	shares	\$.001 par	Paid in Capital	Deficit Development Stage	Stock-Holders' Equity
Balance at June 30, 2011	-	\$ -	34,138,000	\$34,138	\$ 9,263,707	\$ (1,162,957)	\$ 8,134,888
Issuance of common shares in exchange for:							
Distribution at Par Value, December 28, 2011			15,000,000	15,000	(15,000)		-
Distribution at Par Value, December 31, 2011			500,000	500	(500)		-
Distribution at Par Value, January 12, 2012			800,000	800	(800)		-
Distribution at Par Value, January 20, 2012			7,500,000	7,500	(7,500)		-
Distribution at Par Value, January 23, 2012			8,451,760	8,452	(8,452)		-
Distribution at Par Value, February 2, 2012			600,000	600	(600)		-
Distribution at Par Value, February 13, 2012			470,000	470	(470)		-
Distribution at Par Value, March 1, 2012			1,100,000	1,100	(1,100)		-
Distribution at Par Value, March 5, 2012			725,000	725	(725)		-
Distribution at Par Value, March 20, 2012			68,933,860	68,934	(68,934)		-
Distribution at Par Value, March 21, 2012			210,000	210	(210)		-
Distribution at Par Value, March 23, 2012			20,000	20	(20)		-
Distribution at Par Value, March 26, 2012			1,300,000	1,300	(1,300)		-
Distribution at Par Value, April 12, 2012			25,000,000	25,000	(25,000)		-
Distribution at Par Value, April 18, 2012			10,000,000	10,000	(10,000)		-
Acquisition of subsidiary, December 31, 2011			32,400,000	32,400	6,447,600		6,480,000
Recission of shares			(10,875,079)	(10,875)	(13,850,899)		(13,861,774)
Common shares issued in exchange for debt			3,275,429	3,275	101,725		105,000
Common shares issued in exchange for debt, December 14, 2011			462,000	462	95,582		96,044
Common shares issued in exchange for debt			30,000,000	30,000	370,454		400,454
Service: share value in excess of debt exchange					3,799,546		3,799,546
Issuance of preferred shares:							
Serviucses, May1, 2011, Class B1	1,000,000	1,000					1,000
Acquisition of subsidiary, May 27, 2011, Class B2	800,000	800			8,000,000		8,000,800
Issued common shares for cash:							
August 19, 2011			500,000	500	24,500		25,000
Net loss for period						(690,096)	(690,096)
Balance at June 30, 2012	1,800,000	\$ 1,800	230,510,970	\$ 230,511	\$ 14,111,604	\$ (1,853,053)	\$ 12,490,862

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

ALAS International Holdings, Inc.
(A Development Stage Enterprise)
Consolidated Statements of Cash Flows
(unaudited)

	For the Years Ended June30,	
	2012	2011
Cash Flows from Operating Activities:		
Net Loss	\$ (690,096)	\$ (221,877)
Adjustment to reconcile net income to net cash provided by operations:		
Accretion of interest	200,281	187
Issuance of stock in settlement of services	-	349,670
Changes in assets and liabilities:		
Prepaid expenses	-	30,896
Accrued expenses	-	401,412
Net Cash (Used) Provided by Operating Activities	(489,815)	560,288
Cash Flows from Investing Activities:		
Purchase of property and equipment	-	(1,683)
Net Cash (Used) by Operating Activities	-	(1,683)
Cash Flows from Financing Activities:		
Proceeds from issuance of stock	25,000	100,000
Proceeds from issuance of note payable	494,794	-
Notes payable	-	80,000
Related party advances	-	54,580
Related party repayments	-	(29,500)
Net Cash (Used) Provided by Operating Activities	519,794	205,080
Net decrease in Cash	29,979	390
Cash at beginning of period	413	23
Cash at end of period	<u>\$ 30,392</u>	<u>\$ 413</u>
Supplemental cash flow information:		
Interest paid	<u>\$ 201,970</u>	<u>\$ 56,179</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

ALAS International Holdings, Inc.
(Previously ALAS Defense Systems, Inc.)
Notes to Financial Statements
For the Years Ended June 2012 and 2011

1. History of the Company and Summary of Significant Accounting Policies

History of the Company

The issuer was organized under the laws of the State of Idaho and was incorporated on September 1, 1950 as Princeton Mining Company. Filed on September 6, 2001. The domicile was changed from Idaho to Nevada (Doc. No. C24457-2001-001). On July 10, 2002 Princeton Mining Company filed an Amendment to its Articles of Incorporation to change its name to Life Style Innovations, Inc.

On December 21, 2009 LifeStyle Innovations, Inc. acquired all the assets and liabilities of Vought Defense Systems, Inc. in a reverse-merger, whereby a change in control occurred. Lifestyle Innovations, Inc. filed an Amendment to its Articles of Incorporation to change its name to Vought Defense Systems Corporation. On April 12, 2010, Vought Defense Systems Corporation filed an Amendment to its Articles of Incorporation to change its name to ALAS Defense Systems, Inc. and affected a 545 for 1 reverse share split of its common stock outstanding. Shares presented have been restated in prior year to reflect the reverse share split. On April 25, 2011, ALAS Defense Systems, Inc. filed an Amendment to its Articles of Incorporation to change its name to ALAS International Holdings, Inc.

On December 12, 2011, the Company completed and closed a reverse merger with PV Enterprises, Inc. which results in PVE taking control of the corporation. The Company determined that due to the significant cash requirement that were needed to continue the UAV development, it was in the best interest to shut down Redtide and the UAV operation. We will focus solely on the ship management and marine shipping business.

Nature of Business

The Company currently operates under the name of PV Enterprises, Inc., an 11 year old company in the ship management and marine shipping industry under the leadership of Peter Villiotis.

The Company has a subsidiary, Redtide Defense. Redtide is a company created to provide an inexpensive and technically superior solution to a growing worldwide demand for Unmanned Air Vehicles commonly referred to as UAV's. Redtide provides support to foreign and domestic militaries as well as to public and private organizations internationally. Virtually every country spends a significant part of GNP averting terrorism, promoting National Defense, response to natural disasters as well as assist in crime fighting and civil unrest. Our company offers UAV's and ancillary training, maintenance and other services via sales or leases. Redtide is the single choice providing affordable, easily maintained and complete surveillance systems without the significant expense of hiring "high tech personnel" capable of operating existing surveillance systems in remote areas of the world. On May 7, 2011 the Company acquired SAENZ Corporation a yacht charter and yacht building industry for 25 years and will continue to operate under the direction of Peter Villiotis the President of SAENZ, who has been in the charter and cruise industry for over 35 years. SAENZ will operate as a wholly subsidiary of the Company.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles in the United States of America. These principals require management to make estimates and

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(Previously ALAS Defense Systems, Inc.)
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For the Years Ended June 2012 and 2011

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

2. Summary of Significant Accounting Policies - continued

Basis of Accounting - continued

and expenses during the reporting period. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates.

Use of Estimates

The Company prepares its financial statements in conformity with generally accepted accounting principles in the United States of America. These principals require 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. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts and operations of PV Enterprises International, Inc., ALAS International Holdings, Inc., and its wholly owned subsidiary, Red-tide Defense Group, Inc. (collectively referred to as the "Company"). Accordingly, the assets and liabilities, and expenses of this company have been included in the accompanying consolidated financial statements, and intercompany transactions have been eliminated.

Development Stage Enterprise

The Company has presented financial statements as a development stage enterprise. In the initial years the Company devoted substantially all of its efforts to raising capital, planning and implementing the principal operations. The Company may continue to incur significant operating losses and to generate negative cash flow from operating activities. The Company's ability to eliminate operating losses and to generate positive cash flow from operations in the future will depend upon a variety of factors, many of which it is unable to control.

Variable Interest Entities

The Company considers the consolidation of entities to which the usual condition (ownership of a majority voting interest) of consolidation does not apply, focusing on controlling financial interests that may be achieved through arrangements that do not involve voting interest. If an enterprise holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary is generally required to consolidate assets, liabilities and non-controlling interests at fair value (or at historical cost if the entity is a related party) and subsequently account for the variable interest as if it were consolidated based on a majority voting interest. The Company has no investments in joint ventures or any other unconsolidated entities.

Financial Instruments

ALAS International Holdings, Inc.
(Previously ALAS Defense Systems, Inc.)
Notes to Financial Statements
For the Years Ended June 2012 and 2011

The Company's balance sheets include the following financial instruments: cash, accounts receivable, accounts payable and note payable and notes payable to stockholder. The carrying amounts of current assets and current liabilities approximate their fair value because of the relatively short period of time between the origination of these instruments and their expected realization. The carrying values of

2. Summary of Significant Accounting Policies - continued

Financial Instruments - continued

the note payable to stockholder approximates fair value based on borrowing rates currently available to the Company for instruments with similar terms and remaining maturities.

Fair Value Measurements and Disclosures

In September 2006, the Financial Accounting Standards Board (FASB) introduced a framework for measuring fair value and expanded required disclosure about fair value measurements of assets and liabilities. The Company adopted the standard for those financial assets and liabilities as of the beginning of the 2008 fiscal year and the impact of adoption was not significant. FASB Accounting Standards Codification (ASC) 820 "*Fair Value Measurements and Disclosures*" (ASC 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2013. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, other current assets, accounts payable, accrued compensation and accrued expenses. The fair value of the Company's notes payable is estimated based on current rates that would be available for debt of similar terms which is not significantly different from its stated value.

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The Company applied ASC 820 for all non-financial assets and liabilities measured at fair value on a non-recurring basis. The adoption of ASC 820 for non-financial assets and liabilities did not have a significant impact on the Company's financial statements.

As of June 30, 2012 and 2011, the fair values of the Company's financial instruments approximate their historical carrying amount.

2. Summary of Significant Accounting Policies - continued

Cash and Cash Equivalents

The majority of cash is maintained with a major financial institution in the United States. Generally, deposits may be redeemed on demand and, therefore, bear minimal risk. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Stock Based Compensation

The Company may issue restricted stock to consultants for various services. Cost for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete. The Company will recognize consulting expenses and a corresponding increase to additional paid-in-capital related to stock issued for services.

Advertising Costs

The costs of advertising are expensed as incurred. Advertising expenses are included in the Company's operating expenses. Advertising expense was \$0 for the years ended June 30, 2012 and 2011.

Research and Development

The Company expenses research and development costs when incurred. Indirect costs related to research and developments are allocated based on percentage usage to the research and development. Research and development expense was \$0 for the years ended June 30, 2012 and 2011.

Income Taxes

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

Earnings (Loss) Per Share

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(Previously ALAS Defense Systems, Inc.)
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Basic EPS is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during each period. Diluted EPS is similarly calculated, except that the denominator includes common shares that may be issued subject to existing rights with dilutive potential, except when their inclusion would be anti-dilutive.

Impact of Recently Issued Accounting Pronouncements

Except for rules and interpretive releases of the SEC under authority of federal securities laws and a limited number of grandfathered standards, the FASB Accounting Standards Codification™ (“ASC”) is the sole source of authoritative GAAP literature recognized by the FASB and applicable to the Company. Management has reviewed the aforementioned rules and releases and believes any effect

2. Summary of Significant Accounting Policies - continued

Impact of Recently Issued Accounting Pronouncements - continued

will not have a material impact on the Company's present or future financial statements. Management has reviewed the aforementioned rules and releases and believes any effect will not have a material impact on the Company's present or future financial statements.

3. Going Concern

As of June 30, 2012, the Company has a working capital deficit and has incurred a loss from operations and recurring losses since its inception resulting in an accumulated deficit. As of June 30, 2012, the Company had negative working capital, and minimal cash with which to satisfy any future cash requirements. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company depends upon capital to be derived from future financing activities such as loans from its officers and directors, subsequent offerings of its common stock or debt financing in order to operate and grow the business. There can be no assurance that the Company will be successful in raising such capital. The key factors that are not within the Company's control and that may have a direct bearing on operating results include, but are not limited to, acceptance of the Company's business plan, the ability to raise capital in the future, to continue receiving funding from its officers, directors and shareholders, the ability to expand its customer base, and the ability to hire key employees to grow the business. There may be other risks and circumstances that management may be unable to predict.

4. Note Payable

The Company entered into a Note Agreement on February 23, 2010, with a company owned by a shareholder, Dee Fam, LLC, for operational capital in the amount of \$25,000. The Note is payable in one year from the date received and bears interest at 10% per annum. The Company did not repay the note as agreed and accrued a default penalty \$750 or 3% of the outstanding principal, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$25,000 and interest; accrued and unpaid was \$6,072. The Company entered into a second Note Agreement on July 29, 2011, with a same company above, Dee Fam, LLC, for operational capital in the amount of \$15,000. The Note is payable in one year from the date received and bears interest at 10% per annum. The Company did not repay the note as agreed and accrued a default penalty \$450 or 3% of

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the outstanding principal, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$15,450 and interest; accrued and unpaid was \$1,404 for the period ended June 30, 2012.

The Company entered into a Note Agreement on November 21, 2010, with the same shareholder as above, for operational capital in the amount of \$10,000. The Note is payable on February 21, 2011 and bears interest at 10% per annum. The Company did not repay the note as agreed and accrued a default penalty \$1,000, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$11,000 and interest; accrued and unpaid was \$1,783 for the period ended June 30, 2012. The Company entered into a second Note Agreement on August 30, 2011, with the same shareholder as above, for operational capital in the amount of \$7,500. The Note is payable on August 30, 2012 and bears interest at 10% per annum. The Company did not repay the note as agreed and accrued a default penalty \$225 or 3% of the outstanding

4. Note Payable - continued

principal, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$7,725 and interest, accrued and unpaid was \$635 for the period ended June 30, 2012.

The Company entered into a Note Agreement on May 15, 2011, with an unrelated third party, for operational capital in the amount of \$56,805. The Note is payable on December 30, 2012 and bears a fixed amount of interest of \$1,195 for the life of the note. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$56,805 and interest; accrued and unpaid was \$1,195 for the period ended June 30, 2012.

The Company entered into a Convertible Promissory Note Agreement on March 22, 2012, with an unrelated third party, for operational capital in the amount of \$50,000. The Note is payable on May 22, 2012 has a \$5,000 origination fee, and bears interest at 12% per annum. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. The note holder may upon their discretion convert all or part of the unpaid principal balance and accrued interest due into shares of our common stock for the conversion price of the lesser of \$.001 per share or 50% of the closing price of the common stock immediately prior to the conversion date. As of June 30, 2012, amounts due to the lender were \$55,000 and interest; accrued and unpaid was \$1,667 for the period ended June 30, 2012.

The Company entered into a Convertible Promissory Note Agreement on May 25, 2012, with an unrelated third party, for operational capital in the amount of \$40,000. The Note is payable on May 24, 2013; and bears interest at 12% per annum. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. The note holder may upon their discretion convert all or part of the unpaid principal balance and accrued interest due into shares of our common stock for the conversion price of the lesser of \$.001 per share or 50% of the closing price of the common stock immediately prior to the conversion date. As of June 30, 2012, amounts due to the lender were \$40,000 and interest; accrued and unpaid was \$480 for the period ended June 30, 2012.

The Company entered into a Note Agreement on June 1, 2012, with an unrelated third party, for operational capital in the amount of \$372,500. The Note is payable on October 30, 2012 and bears

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a fixed amount of interest of \$37,250 per annum until the note is repaid. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$372,500 and interest; accrued and unpaid was \$3,104 for the period ended June 30, 2012.

The Company entered into a Note Agreement on June 1, 2012, with an unrelated third party, for operational capital in the amount of \$300,000. The Note is payable on June 30, 2012 and bears a fixed amount of interest of \$150,000 until the maturity date of the note. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. As of June 30, 2012, amounts due to the lender were \$300,000 and interest; accrued and unpaid was \$150,000 for the period ended June 30, 2012.

The Company entered into a Convertible Promissory Note Agreement on June 30, 2012, with an unrelated third party, for amounts due to him for previously recorded amounts accrued and outstanding in the amount of \$70,000. The Note is payable on demand; and bears interest at 10% per annum. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. The note holder may upon their discretion convert all or part of the unpaid principal balance and accrued interest due into shares of our common stock for the

4. Note Payable - continued

conversion price of the lesser of \$.001 per share or 50% of the closing price of the common stock immediately prior to the conversion date. As of June 30, 2012, amounts due to the lender were \$70,000 and interest; accrued and unpaid was \$0 for the period ended June 30, 2012.

The Company entered into a Convertible Promissory Note Agreement on June 30, 2012, with an unrelated third party, for amounts due to him for previously recorded amounts accrued and outstanding in the amount of \$70,000. The Note is payable on demand; and bears interest at 10% per annum. The Company did not repay the note as agreed and is currently in default, as per the terms of the note. The note holder may upon their discretion convert all or part of the unpaid principal balance and accrued interest due into shares of our common stock for the conversion price of the lesser of \$.001 per share or 50% of the closing price of the common stock immediately prior to the conversion date. As of June 30, 2012, amounts due to the lender were \$70,000 and interest; accrued and unpaid was \$0 for the period ended June 30, 2012.

5. Related Parties Disclosures

Employment Agreements

Effective December 12, 2011, all employment agreements with ALAS were canceled.

Peter Villiotis

Effective immediately, the Company shall enter into a five-year employment agreement with Peter Villiotis, one of the Company's directors. The Agreement provides for (a) a base salary of \$120,000 per annum; (b) a 10% bonus, based on the Company's profit, as defined in the agreement; and (c) all group

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insurance plans and other benefit plans and programs made available to the Company's management employees.

Mark Corrao

Effective immediately, the Company shall enter into a five-year employment agreement with Mark Corrao, one of the Company's directors. The Agreement provides for (a) a base salary of \$86,000 per annum; (b) a 5% bonus, based on the Company's profit, as defined in the agreement; and (c) all group insurance plans and other benefit plans and programs made available to the Company's management employees.

Facilities

The Company's corporate offices was relocated to Ft. Lauderdale, FL and combined with PV Enterprises, Inc

6. Income Taxes

There is no current or deferred income tax expense or benefit allocated to continuing operations for the years ended June 30, 2012 and 2011.

The Company has not recognized an income tax benefit for its operating losses generated for the period ended December 31, 2011 or the year ended June 30, 2011, based on uncertainties concerning the Company's ability to generate taxable income in future periods. The tax benefit is offset by a valuation allowance established against deferred tax assets arising from operating losses and another temporary differences, the realization of which could not be considered more likely than not. In future periods, tax benefits and related deferred tax assets will be recognized when management considers realization of such amounts to be more likely than not.

7. Acquisition

On May 7, 2011, the Company acquired the assets and operations of Saenz Corporation, USA. The acquired Company consisted of three cruise ships, with a fair market value in excess of the \$8 million dollars of preferred stock issued in exchange for the assets and operations. The preferred stock is convertible into 10 shares, or a share amount equal to \$8 million dollars, of the Company's common stock after one year. Saenz Corporation USA's operations will be consolidated in the financial statements, as operations commence.

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On or about December 12, 2011, the Company acquired PV Enterprises, Inc. through a reverse merger. The Company issued 34,500,000 shares of ALAS common stock to Peter Villiotis in exchange for 100% of the shares of PVE.

8. Commitments and Contingencies

Legal Matters

From time to time the Company may be a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.