

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

SOUTH BEACH SPIRITS, INC.

550 Highway 7 East, Unit 316
Richmond Hill, Ontario, L4B 3Z4, Canada
407-449-6151

mustin@southbeach-spirits.com
5182

Quarterly Report **For the Period Ending: May 31, 2020** (the "Reporting Period")

As of May 31, 2020, the number of shares outstanding of our Common Stock was:

2,895,809,559

As of February 28, 2020, the number of shares outstanding of our Common Stock was:

2,895,809,559

As of February 28, 2020, the number of shares outstanding of our Common Stock was:

2,895,809,559

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control⁵ of the company has occurred over this reporting period:

Yes: ☒ No: ☐

⁵ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

South Beach Spirits, Inc. (the "Company") was incorporated in the state of Nevada on August 10, 2012 under the name "CME Realty, In." and its year-end is February 28.

On July 10, 2015, the Company approved, authorized and adopted an amendment to the Company's Articles of Incorporation to change its name from "CME Realty, Inc." to "South Beach Spirits, Inc." The name change was effective on September 9, 2015.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Nevada

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

550 Highway 7 East, Unit 316
Richmond Hill, Ontario, L4B 3Z4, Canada

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

Trading symbol: SBES
Exact title and class of securities outstanding: Common
CUSIP: 83645W106
Par or stated value: .0001

Total shares authorized: 5,300,000,000 as of date: May 31, 2020

Total shares outstanding: 2,895,809,559 as of date: May 31, 2020
Number of shares in the Public Float⁶: 2,293,769,191 as of date: May 31, 2020
Total number of shareholders of record: 26 as of date: May 31, 2020

All additional class(es) of publicly traded securities (if any):

Trading symbol:
Exact title and class of securities outstanding: Preferred A
CUSIP:
Par or stated value: .001
Total shares authorized: 500,000 as of date: May 31, 2020
Total shares outstanding: 500,000 as of date: May 31, 2020
Transfer Agent

Name: Securities Transfer Corporation
Phone: 469-633-0101
Email: CXue@stctransfer.com
Address: 2901 N. Dallas Parkway, Suite 380, Plano, TX 750931

Is the Transfer Agent registered under the Exchange Act?⁷ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☒

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>May 31, 2018</u> Common: <u>2,895,809,559</u> Preferred: _____			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time	Individual/ Entity Shares were issued to (entities must have individual with voting / investment	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

⁶ "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

⁷ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

	returned to treasury)				of issuance? (Yes/No)	control disclosed).	Services Provided		
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report:									
<u>Ending</u> _____ <u>Balance</u>									
<u>Ending Balance:</u>									
Date <u>5.31.20</u>	Common: <u>2,895,809,559</u>								
Preferred: _____									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>12/3/2015</u>	<u>33,000</u>	<u>33,000</u>	_____	<u>12/3/2016</u>	<u>12% Convertible Promissory Note</u>	<u>Ticino</u>	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁸:

Name: Caren Currier
Title: Consultant
Relationship to Issuer: Consultant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

No Operations

B. Please list any subsidiaries, parents, or affiliated companies.

None

C. Describe the issuers' principal products or services.

⁸ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

None

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Meihua Xu</u>	<u>Officer</u>	<u>Richmond Hill, Ontario, L4B 3Z4, Canada</u>	_____	_____	_____	_____
<u>VINCENT PRINCE</u>	<u>5%</u>	WESTON, FL 33326	<u>275,000,000</u>	<u>Common</u>	<u>9.49%</u>	_____
<u>MARTIN USTIN</u>	<u>5%</u>	SUNRISE, FL 33323	<u>275,000,000</u>	<u>Common</u>	<u>9.49%</u>	_____
<u>VINCENT PRINCE</u>	<u>5%</u>	WESTON, FL 33326	<u>250,000</u>	<u>Pref A</u>	<u>50%</u>	_____
<u>MARTIN USTIN</u>	<u>5%</u>	SUNRISE, FL 33323	<u>250,000</u>	<u>Pref A</u>	<u>50%</u>	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Stephen Mills Attorney At Law

Firm: _____

Address 1: 5124 Creasy Drive

Address 2: Joelton, TN 37080

Phone: _____

Email: _____

Accountant or Auditor

Name: _____

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Meihua Xu certify that:

1. I have reviewed this Quarterly Disclosure of South Beach Spirits, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 5, 2021 [Date]

/s/Meihua Xu [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Meihua Xu certify that:

1. I have reviewed this Quarterly Disclosure of South Beach Spirits, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 5, 2021 [Date]

/s/Meihua Xu [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

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Accrual Basis

South Beach Spirits, Inc
Balance Sheet Prev Year Comparison
As of May 31, 2020

	May 31, 20	May 31, 19	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Cash and Cash Equivalents	0.00	0.00	0.00	0.0%
Total Checking/Savings	0.00	0.00	0.00	0.0%
Accounts Receivable	0.00	0.00	0.00	0.0%
Other Current Assets				
Food Inventory	0.00	0.00	0.00	0.0%
Inventory	0.00	0.00	0.00	0.0%
Total Other Current Assets	0.00	0.00	0.00	0.0%
Total Current Assets	0.00	0.00	0.00	0.0%
Fixed Assets				
Accumulated Depreciation	0.00	0.00	0.00	0.0%
Furniture and Equipment	0.00	0.00	0.00	0.0%
Total Fixed Assets	0.00	0.00	0.00	0.0%
Other Assets				
Security Deposits Asset	0.00	0.00	0.00	0.0%
Total Other Assets	0.00	0.00	0.00	0.0%
TOTAL ASSETS	0.00	0.00	0.00	0.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	0.00	0.00	0.00	0.0%
Credit Cards	0.00	0.00	0.00	0.0%
Other Current Liabilities				
Amount Due Seller	0.00	0.00	0.00	0.0%
AP and Accrued Expenses	0.00	0.00	0.00	0.0%
Due to Related Party	0.00	0.00	0.00	0.0%
Employee Tips Payable	0.00	0.00	0.00	0.0%
Loan Payable - Non Related	0.00	0.00	0.00	0.0%
Note Payable - Yoshar Trad...	0.00	0.00	0.00	0.0%
Notes Payable - Ema Finan...	0.00	0.00	0.00	0.0%
Notes Payable - Ticino	33,000.00	33,000.00	0.00	0.0%
Notes Payable APF Capital	0.00	0.00	0.00	0.0%
Payable Stockholder	0.00	0.00	0.00	0.0%
Payroll Liabilities	0.00	0.00	0.00	0.0%
Total Other Current Liabilities	33,000.00	33,000.00	0.00	0.0%
Total Current Liabilities	33,000.00	33,000.00	0.00	0.0%

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Accrual Basis

South Beach Spirits, Inc
Balance Sheet Prev Year Comparison
As of May 31, 2020

	May 31, 20	May 31, 19	\$ Change	% Change
Long Term Liabilities	0.00	0.00	0.00	0.0%
Total Liabilities	33,000.00	33,000.00	0.00	0.0%
Equity				
Additional Paid in Capital	141,703.00	141,703.00	0.00	0.0%
Capital Stock	0.00	0.00	0.00	0.0%
Common Stock	2,898,809.00	2,898,809.00	0.00	0.0%
Dividends Paid	0.00	0.00	0.00	0.0%
Opening Balance Equity	0.00	0.00	0.00	0.0%
Preferred A Shares	500.00	500.00	0.00	0.0%
Retained Earnings	-3074012.00	-3074012.00	0.00	0.0%
Net Income	0.00	0.00	0.00	0.0%
Total Equity	-33,000.00	-33,000.00	0.00	0.0%
TOTAL LIABILITIES & EQUITY	0.00	0.00	0.00	0.0%

South Beach Spirits, Inc
Profit & Loss Prev Year Comparison
March through May 2020

	Mar - May ...	Mar - May ...	\$ Change	% Change
Ordinary Income/Expense				
Income				
Food Sales	0.00	0.00	0.00	0.0%
Total Income	0.00	0.00	0.00	0.0%
Cost of Goods Sold				
Food Purchases	0.00	0.00	0.00	0.0%
Merchant Account Fees	0.00	0.00	0.00	0.0%
Restaurant Supplies	0.00	0.00	0.00	0.0%
Total COGS	0.00	0.00	0.00	0.0%
Gross Profit	0.00	0.00	0.00	0.0%
Expense				
Advertising and Promotion	0.00	0.00	0.00	0.0%
Bank Service Charges	0.00	0.00	0.00	0.0%
Business Licenses and Permits	0.00	0.00	0.00	0.0%
Computer and Internet Expen...	0.00	0.00	0.00	0.0%
Depreciation Expense	0.00	0.00	0.00	0.0%
Insurance Expense	0.00	0.00	0.00	0.0%
Office Supplies	0.00	0.00	0.00	0.0%
Payroll Expenses	0.00	0.00	0.00	0.0%
Professional Fees	0.00	0.00	0.00	0.0%
Rent Expense	0.00	0.00	0.00	0.0%
Repairs and Maintenance	0.00	0.00	0.00	0.0%
Telephone Expense	0.00	0.00	0.00	0.0%
Uniforms	0.00	0.00	0.00	0.0%
Utilities	0.00	0.00	0.00	0.0%
Total Expense	0.00	0.00	0.00	0.0%
Net Ordinary Income	0.00	0.00	0.00	0.0%
Other Income/Expense				
Other Income	0.00	0.00	0.00	0.0%
Other Expense				
Ask My Accountant	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	0.00	0.00	0.00	0.0%

South Beach Spirits, Inc
Statement of Cash Flows
March through May 2020

	<u>Mar - May 20</u>
OPERATING ACTIVITIES	
Net Income	0.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Food Inventory	0.00
Inventory	0.00
Amount Due Seller	0.00
AP and Accrued Expenses	0.00
Due to Related Party	0.00
Employee Tips Payable	0.00
Loan Payable - Non Related	0.00
Note Payable - Yoshar Trading	0.00
Notes Payable - Ema Financial	0.00
Notes Payable - Ticino	0.00
Notes Payable APF Capital	0.00
Payable Stockholder	0.00
Payroll Liabilities	0.00
Net cash provided by Operating Activities	0.00
INVESTING ACTIVITIES	
Accumulated Depreciation	0.00
Furniture and Equipment	0.00
Security Deposits Asset	0.00
Net cash provided by Investing Activities	0.00
FINANCING ACTIVITIES	
Additional Paid in Capital	0.00
Capital Stock	0.00
Common Stock	0.00
Dividends Paid	0.00
Opening Balance Equity	0.00
Preferred A Shares	0.00
Retained Earnings	0.00
Net cash provided by Financing Activities	0.00
Net cash increase for period	0.00
Cash at beginning of period	0.00
Cash at end of period	<u>0.00</u>

SOUTH BEACH SPIRITS, INC.
Shareholders' Equity (Deficiency)
(Unaudited)

	Common Stock		Preferred Stock - Class A		Add'l Paid	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	in Capital	Deficit	Equity/(Deficit)
Balance, February 28, 2017	2,895,809,559	2,895,809	500,000	500	141,703	(3,074,012)	(33,000)
Net Gain/(loss) for year ended February 28, 2018							
Balance February 28, 2018	2,895,809,559	2,895,809	500,000	500	141,703	(3,074,012)	(33,000)
Net Gain/(loss) for year ended February 28, 2019							
Balance February 28, 2019	2,895,809,559	2,895,809	500,000	500	141,703	(3,074,012)	(33,000)
Shares Issued							
Net Gain/(loss) for year ended February 28, 2020							
Balance February 28, 2020	2,895,809,559	2,895,809	500,000	500	141703	-3074012	-33000
Shares Issued							-
Net Gain/(loss) for quarter ended May 31, 2020							-
Balance May 31, 2020	2,895,809,559	2,895,809	500,000	500	141,703	(3,074,012)	(33,000)

South Beach Spirits, Inc. (Formerly CME Realty Inc.)
Notes to the Unaudited Condensed Interim Financial Statements May 31, 2020

NOTE 1 GENERAL

South Beach Spirits was incorporated in the state of Nevada on August 10, 2012 under the name "CME REALTY, INC." and its year-end is February 28. The Company's initial plan of operations was to engage in providing real estate services for the Las Vegas residential market. The Company was unable to implement this plan of operations for a number of reasons, including without limitation, the inability to raise sufficient capital.

In light of the foregoing, on February 13, 2015, Carlos Espinosa, the principal shareholder and sole director and executive officer of the Company, sold 50,000,000 shares of the Company's common stock held by him (the "CME SHARES") to Kenneth McLeod for \$252,000. The CME Shares represented 74.13% of the Company's issued and outstanding common stock. Contemporaneously therewith, Mr. Espinosa resigned as an officer of the Company and appointed Mr. McLeod as a director, President and Secretary-Treasurer of the Company. Subsequently, Mr. Espinosa resigned as a director of the Company. As a result of the foregoing, a "CHANGE IN CONTROL" of the Company was deemed to have taken place.

On March 17, 2015, the Company implemented a five-for-one split of our common stock in the form of a stock dividend to shareholders on record at the close of business on March 9, 2015. In connection therewith, shareholders as of that date received four additional shares of the Company's common stock for each share held by them as of the record date. Unless otherwise indicated, all share numbers and per-share numbers in this report have been retroactively adjusted to give effect to the March 2015 stock split.

On April 22, 2015, the Company entered into a letter of intent to acquire all of the capital stock of Rock N' Roll Imports, Inc., a California corporation ("RNR") engaged in alcoholic beverage development, marketing and distribution in exchange for (a) the issuance of 50,000,000 shares of the Company's common stock and (b) the contemporaneous contribution to the Company's capital of the CME Shares held by Mr. McLeod.

On August 6, 2015, the Company terminated the letter of intent with RNR as a result of the inability to agree upon the terms of definitive transaction documentation. On July 10, 2015, the Company approved, authorized and adopted an amendment to the Company's Articles of Incorporation to change its name from "CME REALTY, INC." to "SOUTH BEACH SPIRITS, INC." The name change was effective on September 9, 2015. In furtherance of its plan to focus on opportunities in developing and marketing spirits.

NOTE 2 GOING CONCERN

The Company's ability to continue operating as a "going concern" is dependent on its ability to increase revenues and raise sufficient additional working capital. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, which contemplates realization of assets and liquidation of liabilities in the ordinary course of business. The Company plans to raise additional capital as needed. There can be no assurance that this capital will be available and if it is not, the Company may be forced to substantially curtail or cease operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of SPO and its subsidiaries.

All material inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Statements in U.S. dollars:

The reporting currency of the Company is the U.S. dollar ("dollar"). The dollar is the functional currency of the Company and the Company's U.S. subsidiary.

The financial statements of the non-U.S. subsidiaries are translated to U.S. dollars using the methods mandated by ASC 830.

Cash and Cash Equivalents:

The Company considers all highly liquid investments originally purchased with maturities of three months or less to be cash equivalents.

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Revenue Recognition:

The Company recognizes revenues when persuasive evidence of an arrangement exists, delivery has occurred or services rendered, the sales price or fee is fixed or determinable, and collectability is reasonably assured.

Research and Development Costs:

Research and development costs are charged to expenses as incurred. The Company's research and development efforts were performed by the Company's former subsidiary, Reflective Solutions Bulgaria Ltd. In June 2018, the subsidiary was closed and future research and development efforts will be performed by outside consultants.

Income Taxes:

The Company accounts for income taxes in accordance with ASC 740-10, "Accounting for Income Taxes" This statement prescribes the use of the liability method whereby deferred tax assets and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

Fair Value of Financial Instruments:

ASC 820, "Fair Value Measurements and Disclosures", defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The fair value of the derivative liabilities are valued based on level 2 of the hierarchy.

The carrying amounts of cash and cash equivalents, short-term loans, and accounts payable approximate their fair value due to the short-term maturities of such instruments.

The carrying amounts of long-term notes payable received in cash are reported at their original amounts.

NOTE 4 INCOME TAXES

The net operating loss carryovers may be subject to limitations under Internal Revenue Code due to significant changes in the Company's ownership. The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company it is more likely than not that the benefits will not be realized.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. The Company's policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense. All tax years for the Company remain subject to future examinations by the applicable taxing authorities.

NOTE 5 COMMITMENTS AND CONTINGENCIES

As of December 3, 2015, the Company had received a loan of \$33,000 12% Convertible Promissory Note with Ticino Capital. To be paid in full one year for the date of the note or one month after Maker is first "piggy back qualified" quoted on the OTC or one year from date of note. At this time, the new owner does not have a copy of the original note and can only validate the note by previously disclosure reporting to shareholders.

NOTE 6 SUBSEQUENT EVENTS

The control of company has been transferred to Meihua Xu in February 2021.