PotNetwork Holdings Inc.

Unaudited Consolidated Financial Statements As of June 30, 2016

PotNetwork Holdings Inc. Unaudited Consolidated Balance Sheets As of June 30, 2016 and December 31, 2015

ASSETS June 30 permet 73 Curren Assets 5785 51,083 Other Current Assets 771 \$751 Inventory Automobiles (Note 2) \$55,575 \$70,000 Total Current assets \$57,000 \$71,793 Fixed Assets, net \$33,673 \$28,922 Rent & Utility Department of the Utility of State (Includes Principal, Interest , & Banks) \$12,327.00 \$51,949.00 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$12,327.00 \$20,000 \$19,949.00 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$12,327.00 \$20,000 \$19,949.00 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$12,327.00 \$20,000 \$19,949.00 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$12,327.00 \$20,000 <t< th=""><th>A CT 20 2016 LD 1 21 2017</th><th></th><th>D 1</th></t<>	A CT 20 2016 LD 1 21 2017		D 1
Current Assets 2016 2018 Cash 5785 \$1,083 Other Current Assets 710 \$710 Inventory Automobiles (Note 2) \$55,575 \$70,000 Total Current assets \$67,070 \$71,793 Fixed Assets, net \$33,673 \$28,922 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$20,204,934 CHAIBILITES Current Liabilities \$42,862 \$10,308 Cac Financial Payable and Accrued liabilities \$52,000 \$50,000 Cat Financial Payable \$50,000 \$50,000 \$50,000 Total Current Liabilities \$52,000 \$50,000 \$50,000 Cat Financial Payable (Note 3) \$1,970,000 \$1,970,000 \$1,980,000 \$20,000 Color Payable (Note 4) \$1,977,40 \$1,980,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$	As of June 30, 2016 and December 31, 2015		Page 1
Cash \$785 \$1,083 Other Current Assets 710 \$710 Inventory Automobiles (Note 2) \$65,575 \$70,000 Total Current assets \$67,070 \$71,793 Fixed Assets, net \$3,977 \$4,800 Rent & Utility Deposits \$33,673 \$28,922 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$2,024,934 LIABILITIES Current Liabilities \$42,862 \$10,378 Accounts Payable and Accrued liabilities \$42,862 \$50,000 Care Financial Payable \$20,000 \$50,000 Total Current Liabilities \$42,862 \$530,378 Loans From Third Parties (Note 3) 125,000 \$2,000 Total Liabilities \$665,342 \$5,303,378 STOCKHOLDERS EQUITY \$87,573 \$87,573 \$87,573 STOCKHOLDERS EQUITY \$87,573 \$87,573 \$87,573 STOCKHOLDERS EQ			
Other Current Assets 710 \$700 Inventory Automobiles (Note 2) \$65,575 \$70,000 Total Current assets \$67,070 \$71,793 Fixed Assets, net \$33,677 \$4,800 Rent & Utility Deposits \$33,673 \$28,925 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$2,024,934 LIABILITIES Current Liabilities \$42,862 \$10,378 Accounts Payable and Accrued liabilities \$42,862 \$50,000 Care Financial Payable \$50,000 \$50,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 \$1,974,80 \$1,984,000 Note Payable (Note 4) 1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000 \$1,977,400 \$1,984,000	-		
Inventory Automobiles (Note 2)	Cash	\$785	\$1,083
Total Current assets \$67,070 \$71,793 Fixed Assets, net \$3,977 \$4,800 Rent & Utility Deposits \$33,673 \$28,922 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$2,024,934 LIABILITIES SECURENT Liabilities \$42,862 \$10,378 Accounts Payable and Accrued liabilities \$42,862 \$10,378 Car Financial Payable \$50,000 \$20,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$563,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding at Jour 5 and 7,621,650,326 Issued and Journal parties, 1,2015, respectively. \$87,573 \$87,573 Preferred Stock Cla	Other Current Assets	710	\$710
Fixed Assets, net \$3,977 \$4,800 Rent & Utility Deposits \$33,673 \$28,922 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$2,024,934 LIABILITIES Current Liabilities Accounts Payable and Accrued liabilities \$42,862 \$10,378 Car Financial Payable \$20,000 \$20,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 125,000 125,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, 00001 par value; and 94,30,955 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 6,009,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,24	Inventory Automobiles (Note 2)	\$65,57 <u>5</u>	<u>\$70,000</u>
Rent & Utility Deposits \$33,673 \$28,922 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$2,024,934 LIABILITIES Current Liabilities \$42,862 \$10,378 Accounts Payable and Accrued liabilities \$20,000 520,000 Car Financial Payable \$500,000 520,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$0001 par value; and 94,330,955 lssued and outstanding at June 30, 2016 and 7,621,650,326 lssued and outstanding and June 30, 2016 and 7621,650,326 lssued and outstanding and June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 6,209,20 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and	Total Current assets	\$67,070	\$71,793
Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,323,720 \$2,024,934 LIABILITIES Current Liabilities \$42,862 \$10,378 Car Financial Payable \$20,000 \$20,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, 00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,2	Fixed Assets, net	\$3,977	\$4,800
Note Payable (Note 4) 1,937,400 1,937,300 1,930,300 1,93	Rent & Utility Deposits	\$33,673	\$28,922
LIABILITIES Current Liabilities Accounts Payable and Accrued liabilities \$42,862 \$10,378 Car Financial Payable \$50,000 \$20,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236<	Auto Loans Receivable (Includes Principal, Interest, & Banks)	\$1,219,000	\$1,919,419
Current Liabilities \$42,862 \$10,378 Accounts Payable and Accrued liabilities \$42,862 \$10,378 Car Financial Payable \$50,000 \$20,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and \$4,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30,	TOTAL ASSETS	\$1,323,720	\$2,024,934
Accounts Payable and Accrued liabilities \$42,862 \$10,378 Car Financial Payable 520,000 520,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Retained Earnings (Deficit) Sunrise \$858,8,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) <td>LIABILITIES</td> <td></td> <td></td>	LIABILITIES		
Car Financial Payable 520,000 520,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 1,977,480 1,984,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Additional paid in capital 614,618 1,461,532 Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160	Current Liabilities		
Car Financial Payable 520,000 520,000 Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 1,977,480 1,984,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Additional paid in capital 614,618 1,461,532 Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160	Accounts Payable and Accrued liabilities	\$42,862	\$10,378
Total Current Liabilities \$562,862 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 State and outstanding at Dec. 31, 2015, respectively. Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373)	· · · · · · · · · · · · · · · · · · ·		
Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 4,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 4,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Stock Class E Authorized 20,000,000 shares, .00001 par value; and 4,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Stock Class E Authorize			
Note Payable (Note 4) 1,977,480 1,984,000 Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 4,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 4,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Stock Class E Authorized 20,000,000 shares, .00001 par value; and 4,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Stock Class E Authorize	Loans From Third Parties (Note 3)	125.000	125.000
Total Liabilities \$2,665,342 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	· · · · · · · · · · · · · · · · · · ·	•	
Common; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. \$87,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 Padditional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	l		
and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively. Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 issued and outstanding at Dec. 31, 2015, respectively. Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) (2,902,373) (2,163,949) (1,341,622) (614,444)	STOCKHOLDERS EQUITY		
Ser,573 Ser,573 Ser,573 Ser,573 Ser,573 Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. Second	Common ; Authorized 500,000,000 shares, \$.0001 par value; and 94,330,955 Issued		
Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 issued and outstanding at Dec. 31, 2015, respectively. Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and		
and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 issued and outstanding at Dec. 31, 2015, respectively. Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	December 31, 2015 respectively.	\$87,573	\$87,573
outstanding at Dec. 31, 2015, respectively. \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 issued and outstanding at Dec. 31, 2015, respectively. Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	Preferred Stock Class D Authorized - 6,000 shares, .00001 par value;		
Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 issued and outstanding at Dec. 31, 2015, respectively. 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	and 460 Issued and outstanding at June 30, 2016 and 460 Issued and		
value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 \$200 \$200 issued and outstanding at Dec. 31, 2015, respectively. 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	outstanding at Dec. 31, 2015, respectively.	\$200	\$200
issued and outstanding at Dec. 31, 2015, respectively. Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	Preferred Stock Class E Authorized 20,000,000 shares, .00001 par		
Additional paid in capital 614,618 1,461,532 Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	value , and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236	\$200	\$200
Retained Earnings (Deficit) Sunrise \$858,160 738,424 Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	issued and outstanding at Dec. 31, 2015, respectively.		
Retained Earnings (Deficit) POTN (2,902,373) (2,902,373) Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	Additional paid in capital	614,618	1,461,532
Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)	Retained Earnings (Deficit) Sunrise	\$858,160	738,424
Retained Earnings (Deficit) Consolidated (2,044,213) (2,163,949) (1,341,622) (614,444)			
(1,341,622) (614,444)			
- · · · · · · · · · · · · · · · · · · ·	Total Liabilities & Stockholders Equity	\$1,323,720	\$2,024,934

PotNetwork Holdings Inc. Unaudited Consolidated Statements of Income For the year Six Months ended June 30, 2016 and 2015

Page 2

	Six Months E	nded	
	June 30	June 30	
	2016	2015	
Sales	\$971,467	\$3,361,116	
Cost of Sales	(\$541,334)	\$2,063,602	
Gross Margin	\$430,133	\$1,297,514	
Expenses:			
Salary & Benefits	\$84,777	\$375,202	
General and Administrative	\$10,011	\$39,444	
Legal & Professional	\$11,590	34,105	
Advertising	\$44,470	185,293	
Insurance	\$17,102	17,712	
Supplies	\$9,898	21,666	
Rent	\$52,061	65,540	
Interest	\$73,800	71,798	
Depreciation	\$823	823	
Other	\$5,865	40,749	
Total Expenses	\$310,397	\$850,332	
Profit (Loss) before income taxes	\$119,736	\$447,182	
Provision for income taxes	0	0	
Net Profit (Loss)	\$119,736	<u>\$447,182</u>	

PotNetwork Holdings Inc. Unaudited Consolidated Statement of Cash Flows For the year Six Months ended June, 2016 and 2015

	Six Mont	ths Ended
	June 30	June 30
	2016	2015
OPERATING ACTIVITIES		
Net Income (Loss)	\$119,736	\$447,182
Add:		
Depreciation	823	823
Adjustments to reconcile net income (loss)		
Decreases (Increases)		
Notes receivable	0	0
Inventory	\$4,425	\$162,980
Fixed Assets	-	-
Other Assets	(\$4,751)	0
Accts payable	(29,240)	42,128
Finanical Loan Payable	0	\$221,812
Notes Payable	<u>(6,520)</u>	(1,444,352)
Net cash (used in) operating activities	\$84,473	\$2,319,277
Loans Receivable	(\$84,771)	\$2,307,519
CASH FLOWS FROM INVESTING ACTIVITIES	(\$298)	\$11,758
(decrease) in deferred development costs		
Increase in assets	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Proceeds from issuance of common stock	0	0
Proceeds from additional paid in capital	-	-
Net cash (used in) financing activities	\$0	0
NET INCREASE (DECREASE) IN	(\$298)	\$11,758
Cash, Beginning	\$1,083	<u>\$100</u>
Cash, Ending	\$785	\$11,858

Page 3

PotNetwork Holdings Inc. **Unaudited Consolidated Statement of Stockholders Equity** June 30, 2016

Page 4

Description	Common Stock Prefe Shares Sh		non Additional Paid-In Capital	Accum Equity (Deficit)	Total Stockholders Equity(Deficit)
Balance					
December 31,20			44		
	5,671,159,696 1,00	0,000 \$87,573	<u>\$2,545,527</u>	(2,851,546)	(2,445,476)
Shares Retired	(3,000,000,000)				
Shares Retired	. , , , , ,	000,000)			
Shares Issued	798,681,000	, ,	53,000		
Shares Issued	2,727,990,625		217,424		
Net Profit (Los	\mathbf{s})		,	(50,827)	(50,827)
Balance					
December 31,20	<u>)14 </u>				
	5,399,150,326	0 \$87,573	\$ 2,275,003	(\$2,902,373)	(\$2,496,303)
		1,500 (D)			_
Shares Issued	2,222,499,679	6,209,236 (E)	(813,471)		
Net Profit (Los	s)			738,424	738,424
Balance	F (01 (50 00) 1 5	00 (D) 405 553	φ1 4 <i>C</i> 1 F 22	(45.455.55)	(40.000.000)
Dec 31,2015	7,621,650,326 1,5		\$1,461,532	(\$2,163,949)	(\$2,496,303)
Dec 31, 2015		236 (E)	(=10 =1 0)		
Shares Issued	51,678,750 (4,9	, , , , , , , , , , , , , , , , , , ,	(712,514)		
*	changed for common	.)	(124 400)		
Shares Issued	35,030,555		(134,400)	4440 =05	4440 705
Net Profit (Los Balance	S)			\$119,736	\$119,736
June 30,2016	04 220 055 1 504) (D)	\$614,618	(62.044.242)	62 410 012
	94,330,955 1,500		Ф 014,018	(\$2,044,213)	\$2,419,012
<u>June 30, 2106</u>	1,241	<u>,847 (E)</u>			

Page 5

PotNetwork Holdings Inc. Unaudited-NOTES TO FINANCIAL STATEMENTS June 30, 2016

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

The Company changed its name to PotNetwork Holdings Incorporated

(formerly United Treatment Centers, Inc.) on July 24, 2015.

PotNetwork Holdings Inc. (the "Company") was incorporated in the State of Wyoming.

The company has two (2) subsidiaries: Sunrise Auto Mall Inc, and Potnetwork.com.

On February 11, 2015 the company acquired Sunrise Auto Mall Inc.'s business operations

which is a company in the Sub Prime Auto Sales industry. Potnetwork.com is a digital media company

focusing exclusively on the Marijuana industry.

These financial statements were prepared consolidating PotNetwork Holdings Inc, from

Sunrise Auto Mall Inc & Potnetwork.com

<u>Cash and Cash Equivalents</u> - The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

<u>Inventory</u> - The Company values inventory at the lower of costs or market.

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.

PotNetwork Holdings Inc. Unaudited-NOTES TO FINANCIAL STATEMENTS June 30, 2016

Page 6

Note 2 – INVENTORY:

The Company's Inventory consists of the following:	June 30	December 31
	2016	2015
Automobiles, valued at cost	\$65,575	\$71,793

Inventory is valued at the lower of cost or market.

PotNetwork Holdings Inc. **Unaudited-NOTES TO FINANCIAL STATEMENTS** June 30, 2016

Page 7

Note 3 – Loans from Third Parties	June 30	December 31
	2016	2015
These loans bear 8% interest per annum		
and have terms of demand repayment.		
Loan from Third Parties – J.C.	\$13,000	\$13,000
Loan from Third Parties - K.N.	112,000	112,000
Total Loans from Third Parties	\$125,000	\$125,000

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.

Notes 4 – Note Payable	June 30	December 31	
	2016	2015	
These loans bear 8% interest per annum			
and have terms of demand repayment.			
S.N.D.	\$1,941,100	\$1,984,000	
GT	\$23,780	\$0	
KR	\$12,600	\$0	
Total Note Payable	\$1,977,480	\$1,984,000	

S.N.D. Is holder of a note dated June 2, 2014 in the original principal amount of \$ 1,850,000. at an interest rate of 8% annually. The Balance of the note at June 30, 2016 is \$ 1,941,100, Interest expense in 2016 was \$ 35,300.00

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

(The following pages intentionally left blank)