OTC Pink Basic Disclosure Guidelines

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

VALENTINE BEAUTY, INC.
Formerly = China Education Technology, Inc. until 11-2013
Formerly= Envirosafe Corp. until 4-2009

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 749 Shotgun Road, Sunrise, FL 33326
Address 2:
Address 3:
Phone: 954-551-9483
Email: Info@VBeautyProducts.com
Website(s): http://www.vbeautyproducts.com

3) Security Information

Trading Symbol: VLBI
Exact title and class of securities outstanding: Common
CUSIP: 91912D107
Par or Stated Value: 0.0001
Total shares authorized: 290,000,000 as of: August 25, 2014
Total shares outstanding: 160,637,297 as of: August 25, 2014

Additional class of securities (if necessary):
Trading Symbol: N/A
Exact title and class of securities outstanding: Preferred
CUSIP: N/A
Par or Stated Value: 0.0001
Total shares authorized: 10,000,000 as of: August 25, 2014
Total shares outstanding: 286,000 as of: August 25, 2014

Transfer Agent
Name: Guardian Registrar & Transfer, Inc.
Address 1: 7951 SW 6th Street, Suite 216, Plantation, FL 33324
Address 2:
Address 3:
Phone: 954-915-0105
http://www.guardian-transfer.com

Is the Transfer Agent registered under the Exchange Act?* Yes: X No:

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

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

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:

On November 15, 2013, a Plan of Exchange was completed between and amongst the majority shareholders of CEDT (the "CEDT shareholders"), and the shareholders of Valentine Spa, Inc. (the "VS shareholders"), which provides in part for the exchange of 1,000 shares of the Valentine Spa, Inc.'s Common Stock, representing a 100% of the interest in Valentine Spa, Inc. in return for a new issuance by CEDT of 100,000,000 shares of CEDT's Common Stock to the VS shareholders. As a result, the VS shareholders obtained a 'controlling interest' in CEDT, and Valentine Spa, Inc. became a wholly-owned subsidiary of CEDT. Leigh Valentine is the sole shareholder of Valentine Spa, Inc. and is the Company's President, Secretary, Treasurer and Director.

As of November 19, 2013, with the State of Nevada, Department of Corporations, the Company initiated a reverse stock split of its outstanding Common shares whereby one share will be exchanged for two hundred and fifty (250 to 1) shares and a name change. In the coming week, the Company will be initiating this name change and secure a trading Symbol change with FINRA, as well as secure a new CUSIP for its Common shares.

On June 30, 2014, Leigh Valentine resigned from her position as sole director of the Board, and President, Secretary, Treasurer of the Company. The 100,000,000 shares were transferred from VS shareholders to GARY R. BLACKBURN, SR. as a result of change in control.

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

Pursuant to the Plan of Exchange as set forth above on November 15, 2013, 100,000,000 common shares of CEDT were issued to Valentine Spa, Inc. (the VS Shareholder(s)) and Leigh Valentine is the sole shareholder of Valentine Spa, Inc.

On June 30, 2014, the 100,000,000 shares were transferred from VS shareholders to GARY R. BLACKBURN, SR. as a result of change in control.

B. Any jurisdictions where the offering was registered or qualified;

None

C. The number of shares offered;

None

D. The number of shares sold;

None

E. The price at which the shares were offered, and the amount actually paid to the issuer;

None

F. The trading status of the shares; and

None

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

None

5) Financial Statements

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

See attached Exhibit A for the Financial Statements as of and for the period ending June 30, 2014.

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

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

Valentine Beauty, Inc. mission IS TO CREATE EXTRAORDINARY PRODUCTS THAT SHAPE AND SET TRENDS WITHIN THE BEAUTY INDUSTRY FOR BOTH MEN AND WOMAN. Our core collection combines the best aspects of science and nature to create cosmetic and skincare products that deliver results. We utilize natural and organic ingredients in our products, we offer mineral makeup, and create skincare and cosmetic products that not only beautify but nourish the skin. We are a USDA Certified Organic manufacturer as well as a GMP-compliant facility, utilizing the finest quality organic ingredients offered. Our ultimate goal is to exceed our customer's expectations with products that exceed the competition.

The new **V Beauty** product collection offers an array of skin rejuvenating formulas that offer skin care solutions for all skin types. By infusing pure botanicals and scientifically advanced ingredients, we have created skin care formulations that instantly enhance the skin's texture, firmness and smoothness. Bring your best complexion forward with **V Beauty's** advanced formulations that replenish, renew and promote a luminous, youthful and radiant complexion.

B. Date and State (or Jurisdiction) of Incorporation:

9/19/2008; Nevada

C. the issuer's primary and secondary SIC Codes;

0001015455

D. the issuer's fiscal year end date;

December 31st

E. principal products or services, and their markets;

Our core collection combines the best aspects of science and nature to create cosmetic and skincare products that deliver results. We utilize natural and organic ingredients in our products, we offer mineral makeup, and create skincare and cosmetic products that not only beautify but nourish the skin.

7) Describe the 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.

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.

The Company rents approximately 3,000 square feet of office space also utilized as a distribution center in Weston, Florida, which is just outside Ft Lauderdale, Florida on a month to month basis for $700 per month. This space is suitable for our current and anticipated needs.

8) 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 shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Name and Position	Shares of Common Stock	Percentage of Class (Common)	Shares of Preferred Stock	Percentage of Class (Preferred)
Richard Wellner, President 749 Shotgun Road Sunrise, FL 33326	0	0	0	0

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Name and Position	Shares of Common Stock	Percentage of Class (Common)	Shares of Preferred Stock	Percentage of Class (Preferred)
GARY R. BLACKBURN, SR. [1] 5030 CHAMPION BOULEVARD SUITE G6-216 BOCA RATON, FL 33496	100,000,000	62.25%	0	0
GUO QIANG ZHAN 16 NANER STREET, WANSHOU ROAD SUITE 602 HAIZHU DISTRICT, FL 33324 GUANGZHOU, P.R. CHINA	10,002	-	214,000	74.83%
Footnotes: [1] On June 30, 2014, the 100,000,000 shares were transferred from VS shareholders to GARY R. BLACKBURN, SR. as a result of change in control				

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Harold Martin
Firm: Law Offices of Harold H Martin, PA
Address 1: 19720 Jetton Road, 3rd Floor, Cornelius, NC 28031
Address 2:
Phone: 704-464-9528
Fax: 704-464-9051
Email: harold@martin-pritchett.com

Accountant or Auditor
Name: Ke Li
Firm: Greentree Financial Group, Inc.
Address 1: 19720 Jetton Road, 3rd Floor, Cornelius, NC 28031
Address 2:
Phone: 704-892-8733
Email: Kli@gtfinancial.com

Investor Relations Consultant

None.

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

None.

10) Issuer Certification

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).

The certifications shall follow the format below:

I, Richard Wellner**,** certify that:

1. I have reviewed this June 30, 2014 Quarter of Valentine Beauty, 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.

August 26, 2014

/s/ Richard Wellner
Richard Wellner, President

Exhibit A

Financial Statements as of and for the period ending June 30, 2014

VALENTINE BEAUTY INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2014

(UNAUDITED)

Index to Unaudited Consolidated Financial Statements

Valentine Beauty Inc. and Subsidiary
Consolidated Balance Sheet
As of June 30, 2014 And December 31, 2013
(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,397	$ 1,537
Accounts receivable	446	—
Inventory	98,512	80,068
Prepayment and deposits	5,000	5,000
TOTAL CURRNET ASSETS	107,355	86,605
PLANT AND EQUIPMENT, NET	4,574	5,213
TOTAL ASSETS	$ 111,930	$ 91,818
LIABILITIES AND STOCKHOLDERS' (DEFICIT) / EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 21,917	$ 20,939
Convertible notes payable, net of discount of $139,376	160,624	78,734
Convertible notes payable	55,000	55,000
Accrued income taxes payable	13,380	14,313
Other payable and accrued liabilities	81,690	68,586
Derivative liabilities	419,351	94,134
Due to related party	30,997	66,971
Other notes payable	5,000	
TOTAL CURRENT LIABILITIES	787,959	398,677
TOTAL LIABILITIES		
STOCKHOLDERS' (DEFICIT) / EQUITY		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized, 286,000 and 730,000 shares issued and outstanding as of June 30, 2014 and December 31, 2013, repectively	29	73
Common stock, $0.0001 par value, 290,000,000 shares authorized, 129,307,307 and107,107,307 shares issued and outstanding as of June 30, 2014 and December 31, 2013, repectively	12,931	10,711
Additional paid in capital	(77,361)	(75,185)
Retained earnings (deficit)	(611,626)	(242,458)
TOTAL STOCKHOLDERS' (DEFICIT) / EQUITY	(676,027)	(306,859)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) / EQUITY	$ 111,930	$ 91,818

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

Valentine Beauty Inc. and Subsidiary
Consolidated Statement of Operations
For the Six And Three Months Ended June 30, 2014
(Unaudited)

	For the Six Months Ended June 30, 2014	For the Three Months Ended June 30, 2014
Revenues		
Sales	$ 110,601	$ 49,591
Cost of sales	13,157	—
Gross profit	97,444	49,591
Operating expenses		
Selling, general and administrative expenses	169,914	134,402
Professional fees	2,500	2,500
Depreciation	638	321
Total Operating Expenses	173,052	137,222
Operating income	(75,608)	(87,631)
Other income (expenses)		
Interest expenses	(16,454)	(8,713)
Amortization of discount to note payable	(75,455)	(49,213)
Changes in derivative liabilities	(201,651)	(169,539)
Total other income (expenses)	(293,560)	(227,465)
Income (loss) before income taxes	(369,168)	(315,096)
Income taxes	—	—
Net income (loss)	$ (369,168)	$ (315,096)
Earnings per common share		
Basic	**	**
Weighted average common shares outstanding		
Basic	113,669,185	120,158,955

** Less than $.01

The accompanying notes are an integral part of the financial statements

Valentine Beauty Inc. and Subsidiary
Consolidated Statement of Cash Flows
For the Six Months Ended June 30, 2014
(Unaudited)

		For the Six Months Ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$	(369,168)
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Depreciation and amortization		638
Amortization of discount to note payable		75,455
Changes in derivative liabilities		201,651
Changes in operating assets and liabilities:		
Accounts receivable		(446)
Inventory		(18,444)
Prepayment and deposits		—
Accounts payable		978
Accrued income taxes payable		(933)
Other payable and accrued liabilities		13,104
NET CASH (USED IN) OPERATING ACTIVITIES		(97,165)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment		—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable		130,000
Proceeds from other notes payable		10,000
(Repayment) to other notes payable		(5,000)
Proceeds from (repayment to) due to related parties		(35,974)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		99,026
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,861
CASH AND CASH EQUIVALENTS:		
Beginning of period		1,537
End of period	$	3,397
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$	—
Cash paid for interest	$	—

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

Valentine Beauty Inc. and Subsidiary
Consolidated Statement of Stockholders' Equity (Deficit)
For the years ended December 31, 2013 and 2012, and for the period ended June 30, 2014
(Unaudited)

	Preferred Stock $0.0001 par value Shares	Preferred Stock $0.0001 par value Amount	Common Stock $0.0001 par value Shares	Common Stock $0.0001 par value Amount	Additional Paid in Capital	Retained Earnings (Deficit)	Total Stockholders' (Deficit)
Balance, December 31, 2011	—	$ —	100,000,000	$10,000	$(10,000)	$(104,643)	$ (104,643)
Reorganization due to recapitalization	870,000	87	107,307	11	(64,499)		(64,401)
Net income	—	—	—	—		27,784	27,784
Balance, December 31, 2012	870,000	87	100,107,307	10,011	(74,499)	(76,859)	(141,260)
Conversion of preferred stock	(140,000)	(14)	7,000,000	700	(686)		—
Net (loss)	—	—	—	—		(165,599)	(165,599)
Balance, December 31, 2013	730,000	$ 73	107,107,307	$10,711	$(75,185)	$(242,458)	$ (306,859)
Conversion of preferred stock	(444,000)	(44)	22,200,000	2,220	(2,176)		—
Net (loss)	—	—	—	—		(369,168)	(369,168)
Balance, June 30, 2014	286,000	$ 29	129,307,307	$12,931	$(77,361)	$(611,626)	$ (676,027)

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

NOTE－1 ORGANIZATION AND BUSINESS BACKGROUND

Valentine Beauty Inc. (the "Company") was incorporated in the state of Delaware in 1996 in name of Envirosafe Corporation. On April 3, 2008, the Company changed its corporate name to China Education Technology Inc. and redomiciled from Delaware to Nevada on October 6, 2008. On November 26, 2013, the Company changed its corporate name to Valentine Beauty Inc. to reflect the Plan of Exchange disclosed below. The Company's common shares are quoted on the "Pink Sheets - Other" quotation market under the symbol "VLBI.PK".

The Company is an investment holding company, whose only asset is 100% equity interest in Valentine Spa Inc. (referred to herein as the "Valentine Spa"), a Texas Corporation incorporated under the Texas Business Corporation Act on May 18, 2001 with the business providing beauty and cosmetic products and services to their clients.

On November 15, 2013, a Plan of Exchange (the "Exchange") was executed between and among the Company, Valentine Spa, the majority stockholder of the Company and the stockholder of Valentine Spa, pursuant to which 100,000,000 shares of the Company's common stock were issued to the stockholder of Valentine Spa. Upon completion of the Exchange, Valentine Spa became the Company's wholly-owned subsidiary and the former stockholder of Valentine Spa then owned a 'controlling interest' in the Company representing 58.73% of the voting shares of the Company on a fully dilutive basis.

The stock exchange transaction has been accounted for as a reverse acquisition and recapitalization of the Company whereby Valentine Spa is deemed to be the accounting acquirer (legal acquiree) and the Company to be the accounting acquiree (legal acquirer). The accompanying consolidated financial statements are in substance those of Valentine Spa, with the assets, liabilities, revenues and expenses, of the Company being included effective from the date of stock exchange transaction. Accordingly, the financial position, results of operations, and cash flows of the accounting acquirer are included for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree are included from the date of stock exchange transaction.

Valentine Beauty Inc. and its wholly-owned subsidiary, Valentine Spa, are hereafter referred to as (the "Company").

NOTE－2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) under the accrual basis of accounting.

Use of estimates

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. These accounts and estimates include, but are not limited to, the valuation of accounts receivables, inventories, income taxes and the estimation on useful lives of property, plant and equipment. Actual results could differ from these estimates.

NOTE－2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated risks by performing credit checks and actively pursuing past due accounts. An allowance for doubtful accounts is established and determined based on managements' assessment of known requirements, aging of receivables, payment history, the customer's current credit worthiness and the economic environment. As of June 30, 2014, the Company had $446 balance in accounts receivable.

Fair value of financial instruments

The Company measures its financial and non-financial assets and liabilities, as well as makes related disclosures, in accordance with FASB Accounting Standards Codification No. 820, *Fair Value Measurement* ("ASC 820"), which provides guidance with respect to valuation techniques to be utilized in the determination of fair value of assets and liabilities. Approaches include, (i) the market approach (comparable market prices), (ii) the income approach (present value of future income or cash flow), and (iii) the cost approach (cost to replace the service capacity of an asset or replacement cost). ASC 820 utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

Our financial instruments include cash, inventory, prepayment and deposits, accounts payable, accrued income tax payable, accrued liabilities, convertible note payable and derivative liabilities.

The carrying values of the Company's cash, inventory, prepayment and deposits, accounts payable, accrued income tax payable, and accrued liabilities approximate their fair value due to their short-term nature.

The Company's convertible note payable are measured at amortized cost.

NOTE－2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments (continued)

The derivative liabilities are stated at their fair value as a level 3 measurement. The Company used a Black-Scholes model to determine the fair values of these derivative liabilities. See Note 3(A) for the Company's assumptions used in determining the fair value of these financial instruments.

Convertible note payable

The Company accounts for convertible note payable in accordance with the FASB Accounting Standards Codification No. 815, *Derivatives and Hedging,* since the conversion feature is not indexed to the Company's stock and can't be classified in equity. The Company allocates the proceeds received from convertible note payable between the liability component and conversion feature component. The conversion feature that is considered embedded derivative liabilities has been recorded at their fair value as its fair value can be separated from the convertible note and its conversion is independent of the underlying note value. The Company has also recorded the resulting discount on debt related to the conversion feature and is amortizing the discount using the effective interest rate method over the life of the debt instruments.

Derivative liabilities

The Company accounts for derivative liabilities in accordance with the FASB Accounting Standards Codification No. 815, *Derivatives and Hedging* ("ASC 815"). ASC 815 requires companies to recognize all derivative liabilities in the balance sheet at fair value, and marks it to market at each reporting date with the resulting gains or losses shown in the Statement of Operations.

Basic Income (Loss) Per Share

The Company calculates net income (loss) per share in accordance with the FASB Accounting Standards Codification No. 260, *Earnings per Share*. Basic income (loss) per share is calculated by dividing the Company's net income or loss applicable to common shareholders by the weighted average number of common shares during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. There were no adjustments required to net loss for the periods presented in the computation of basic loss per share. No diluted loss per share is required to be represented.

Revenue recognition

In accordance with guidance by paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition, the Company recognizes revenue when persuasive evidence of an arrangement exists, transfer of title has occurred or services have been rendered, the selling price is fixed or determinable and collectability is reasonably assured.

Cost of Goods Sold

Cost of goods sold consists primarily of costs of raw materials and direct labor, and other costs directly attributable to revenues generation. Write-down of inventories to lower of cost or market is also recorded in cost of goods sold.

NOTE－2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company adopts the ASC Topic 740, "*Income Taxes*" regarding accounting for uncertainty in income taxes, which prescribes the recognition threshold, and measurement attributes for financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return. In addition, the guidance requires the determination of whether the benefits of tax positions will be more likely than not sustained upon audit based upon the technical merits of the tax position. For tax positions that are determined to be more likely than not sustained upon audit, a company recognizes the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement in the financial statements. For tax positions that are not determined to be more likely than not sustained upon audit, a company does not recognize any portion of the benefit in the financial statements. The guidance provides for de-recognition, classification, penalties and interest, accounting in interim periods and disclosure.

For the six months ended June 30, 2014, the Company did not have any interest and penalties associated with tax positions. As of June 30, 2014, the Company did not have any significant unrecognized uncertain tax positions.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence. A material related party transaction has been identified in Note 3 and Note 5 in the financial statements.

Subsequent Events

The Company evaluated for subsequent events through the issuance date of the Company's financial statements.

Recently issued accounting standards

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements up to ASU 2014-14, and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its consolidated financial condition or the consolidated results of its operations.

NOTE－3 CONVERTIBLE NOTES PAYABLE

As of June 30, 2014, the Company had outstanding balances on its convertible notes in the amount of $160,624, net of discount of $139,376, consisting of the followings:

(A) Convertible Notes Payable – Derivative liabilities

On November 14, 2013, the Company issued four convertible promissory notes in total amount of $170,000 (the "November Notes") to two third parties. The November Notes bear an interest rate of 10% per annum and are due on November 14, 2014, pursuant to which the holders of the November Notes have an option to convert all or any portion of the accrued interest and unpaid principal balance of the November Notes into the common stock of the Company or its successors, at 90% of the market bid price of the common stock on the demand date for conversion.

On April 2, 2014, the Company issued a convertible promissory note of $75,000 (the "April Note") to a third party. The April Note bears an interest rate of 10% per annum and is due on April 2, 2015, pursuant to which the holder of the April Note has an option to convert all or any portion of the accrued interest and unpaid principal balance of the April Note into the common stock of the Company or its successors, at 50% of the average trading price of the common stock during the 10-day period prior to the demand date for conversion.

On May 20, 2014, the Company issued a convertible promissory note of $30,000 (the "May Note I") to a third party. The May Note I bears an interest rate of 10% per annum and is due on May 20, 2015, pursuant to which the holder of the May Note I have an option to convert all or any portion of the accrued interest and unpaid principal balance of the May Note I into the common stock of the Company or its successors, at 50% of the average trading price of the common stock during the 10-day period prior to the demand date for conversion.

On May 28, 2014 the Company issued convertible promissory notes of $25,000 (the "May Note II") to a third party. The May Note II bears an interest rate of 10% per annum and is due on May 28, 2015, pursuant to which the holder of the May Note II have an option to convert all or any portion of the accrued interest and unpaid principal balance of the May Note II into the common stock of the Company or its successors, at 50% of the average trading price of the common stock during the 10-day period prior to the demand date for conversion.

The November Notes, April Note, May Note I and May Note II are hereafter referred to as the "Notes".

The Company has determined that the conversion feature of the Notes represents an embedded derivative since the Notes are convertible into a variable number of shares upon conversion. Accordingly, the Notes are not considered to be conventional debt and the embedded conversion feature must be bifurcated from the debt host and accounted for as a derivative liability. Accordingly, the fair value of this derivative instrument has been recorded as a liability on the balance sheet with the corresponding amount recorded as a discount to the Notes. Such discount will be accreted from the issuance date to the maturity date of the Notes. The change in the fair value of the derivative liability will be recorded in other income or expenses in the statement of operations at the end of each period, with the offset to the derivative liability on the balance sheet. The fair value of the embedded derivative liability was determined using the Black-Scholes valuation model on the issuance date with the assumptions in the table below.

NOTE－3 CONVERTIBLE NOTES PAYABLE (CONTINUED)

At June 30, 2014, the Company revalued the embedded derivative liability with the assumptions in the table below. For the period from December 31, 2013 to June 30, 2014, the Company increased the derivative liability of $94,134 by $325,217 resulting in a derivative liability of $419,351 at June 30, 2014.

Reporting Date	Fair Value	Term (Years)	Assumed Conversion Price	Market Price on Issuance Date	Volatility Percentage	Risk-free Rate
12/31/2013	$94,134	0.87	$0.99	$1.10	182%	0.0013
3/31/2014	$126,246	0.62	$0.369	$0.41	225%	0.0013
6/30/2014	$419,351	0.37-0.76	$0.0045-0.0069	0.0077	659%	0.0007-0.0011

As of June 30, 2014, the carrying values of the Notes were $160,624, net of debt discounts of $139,376. The Company recorded interest expense related to the Notes of $10,873 and amortization of debt discounts in amount of $75,455 during the six months ended June 30, 2014. The interest expense of $10,873 has been included under accrued liabilities as of June 30, 2014.

The Notes		**06/30/2014**
Proceeds	$	300,000
Less derivative liabilities on initial recognition		(228,535)
Value of the Notes on initial recognition		71,465
Add accumulated accretion expense		89,159
Balance as at June 30, 2014	$	160,624

(B) Convertible Notes Payable

On August 14, 2012, the Company entered into a 10% convertible promissory note with third party in the amount of $55,000. The note is due on demand. The holder of this Note may, at his option, convert all or any portion of the accrued interest and unpaid principal balance of this Note into fully paid and non-assessable shares of common stock of the Company or his successors, at the conversion ratio of One Tenth Cent ($0.001) per share or 75% discount of the then current bid price, whichever is lower. There were no derivative liabilities related to this Note since the conversion ratio of One Tenth Cent ($0.001) was considered as the lower price during the period. In addition, the Company had nominal trading volume for its stock on the date of issuance and no beneficial conversion was recorded.

The Company recorded interest expense related to this Note of $1,356 and $2,712 during the three and six months ended June 30, 2014, respectively. The interest expense of $2,712 has been included under accrued liabilities as of June 30, 2014.

NOTE 4 – DERIVATIVE LIABILITIES

As of June 30, 2014, the Company's derivative liabilities are embedded derivatives associated with the Company's convertible note payable (see Note 3(A)). Due to the Notes' conversion feature, the actual number of shares of common stock that would be required if a conversion of the note as described in Note 3(A) was made through the issuance of the Company's common stock cannot be predicted. As a result, the conversion feature requires derivative accounting treatment and will be bifurcated from the note and "marked to market" each reporting period through the statement of operations.

The Company measured the fair value of the derivative liabilities as $94,134 on December 31, 2013, and remeasured the fair value as $419,351 on June 30, 2014, respectively, and recorded the change of fair value of $201,651 in the statements of operations for the six months ended June 30, 2014.

NOTE－5 DUE TO RELATED PARTY

As of June 30, 2014, the Company had balance of $30,997, respectively, due to Leigh Valentine, a related party of the Company.

The funds borrowed from the related party were to fund the Company's operations. The loan agreement was not evidenced by any promissory note, but rather a verbal agreement between the related party and the Company. The note is due on demand.

NOTE－6 CAPITAL STRUCTURE

As of June 30, 2014, the Company was authorized to issue 10,000,000 shares of convertible preferred stock, par value $0.0001, of which 286,000 shares issued and outstanding, and was authorized to issue 290,000,000 shares of common stock, par value $0.0001, of which 129,307,307 shares issued and outstanding.

During the six months ended June 30, 2014, 444,000 shares of convertible preferred stock, par value $0.0001, were converted into 22,200,000 shares of common stock, par value $0.0001, at a ratio of 50:1.

NOTE－7 COMMITMENT AND CONTINGENCIES

The Company leases its office and distribution center under a month to month operating lease agreement. The company pays $1,800 per month for this space. The lease can be cancelled anytime with 30 days written notice.

For the six months ended June 30, 2014, rental expenses were $6,970.

NOTE－8 GOING CONCERN

These consolidated financial statements have been prepared assuming that Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

As of June 30, 2014, the Company had an accumulated deficit of $611,626. Management has taken certain action and continues to implement changes designed to improve the Company's financial results and operating cash flows. The actions involve certain cost-saving initiatives and growing strategies, including (a) reductions in raw materials costs; (b) expansion of the business model into new markets, and; (c) significant reductions in lease costs. Management believes that these actions will enable the Company to improve future profitability and cash flow in its continuing operations through December 31, 2014. As a result, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the Company's ability to continue as a going concern.

NOTE－9 SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to June 30, 2014 to the date these consolidated financial statements were issued. In addition to the transactions disclosed below, the Company does not have other material subsequent events to disclose in these financial statements.

In July of 2014, the Company issued total 31,329,990 shares of common stock to partially settle the convertible promissory note, dated on August 14, 2012, in amount of $31,330 at the conversion ratio of One Tenth Cent ($0.001) per share.