

CALIFORNIA STYLE PALMS INC

FINANCIAL STATEMENTS
FOR THE YEARS ENDED 12-31-2015 AND
12-31-2014 (RESTATED)
UNAUDITED

CALIFORNIA STYLE PALMS, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2015 AND 2014
UNAUDITED

	<u>2015</u>	<u>RESTATED</u> <u>2014</u>
ASSETS		
Cash	36,627.00	32,431
Accounts Receivable	109,491	10,556
Inventory	6,671,860	6,315,610
Other Current Assets	<u>35,525</u>	<u>1,148</u>
Total Current Assets	6,853,503.00	6,359,745
Property, Plant & Equipment		
Auto -Toyota	34,755.00	34,756
Depreciation	-22,195	<u>-10,615</u>
Total Property & Equipment	12,560	24,141
Good Will -Trade Name	0	0
TOTAL ASSETS	6,866,063	6,383,886
LIABILITES & SHAREHOLDERS (DEFICIT)		
Accounts Payable	17,296	21,576
Notes Payable	395,794	150,000
Notes Payable - Related Party	657,596	701,986
Auto Loan -Toyota	19,810.00	28,382
Sales Tax Payable	30,133	<u>0</u>
TOTAL LIABILITIES	1,120,629	901,944
SHAREHOLDERS EQUITY		
Common Stock \$0.0001 par value	12,421	12,421
500,000,000 shares authorized		
12,420,447 Issued and Outstanding		
Common Stock Subscription Receivable	-10,500	-10,500
Preferred Stock 100,000,000 Authorized	0	0
None Issued as of 12-31-2014 & 12-31-2013		
Additional Paid In Capital	6,315,610	6,315,610
Retained Earnings	-835,588	30,657
Profit (Loss) Current Period	263,491	-866,245
Total Shareholders Equity	5,745,434.00	5,481,942
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	6,866,063	6,383,886

CALIFORNIA STYLE PALMS, INC
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED 2015 AND 2014
UNAUDITED

	2015	RESTATED 2014
REVENUES		
Sales	1,331,493	886,174
Cost of Sales	108,407	899,481
GROSS MARGIN	1,223,086	-13,307
OPERATING EXPENSES		
Sales & Marketing	214,662	219,472
General & Administrative	733,353	622,851
Depreciation Expense	<u>11,580</u>	<u>10,615</u>
TOTAL OPERATING EXPENSES	959,595	852,938
OPERATING INCOME	263,491	-866,245
OTHER INCOME (LOSS)		
Interest Expense	0	0
Provision for Income Taxes	0	0
NET INCOME	263,491	-866,245
Net Income (Loss) Per Share, Basic & Diluted:	\$0.02	(\$0.05)

**CALIFORNIA STYLE PALMS, INC.
STATEMENT OF SHAREHOLDER EQUITY
UNAUDITED**

	SHARES	AMOUNT	ADDITIONAL PAID IN CAPITAL	ACCUMULATED EARNINGS	SUB. REC.	TOTAL SHAREHOLDER EQUITY
BALANCE 12/31/12	1,920,447	1,920	0	0		1,920
Net Income				30,657		
Balance 12/31/2013	1,920,447	1,920	0	30,657		1,920
Acquisition of Gregory Palms Farms	10,500,000	10,500				10,500
Additional Paid In Capital			6,315,610			
Net Income				-866,245		
Subscription Receivable					-10,500	-10,500
BALANCE 12/31/2014	12,420,447	12,421	6,315,610	-835,588	-10,500	5,481,942
Net Income				263,491		263,491
Balance 12/31/2015	12,420,447	12,421	6,315,610	572,097	-10,500	5,745,434

CALIFORNIA STYLE PALMS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 12-31-2015 AND 2014
UNAUDITED

	12 MONTHS ENDED <u>12/31/2015</u>	12 MONTHS ENDED <u>12/31/2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	263,491	-866,245
CHANGES IN OPERATING ASSETS & LIABILITIES		
Accounts Receivable	109,491	10,556
Inventories	6,671,860	6,315,610
Prepaid Expenses & Other Assets	35,525	1,148
Accounts Payable & Accrued Liabilities	-17,296	-21,576
NET CASH USED IN OPERATING ACTIVITIES	6,799,580	6,305,738
NET INCREASE IN CASH USED DURING YEAR	493,842	847,937
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property & Equipment	0	0
NET CASH USED IN INVESTING ACTIVITIES	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Borrowing	1,117,590	880,368
NEW CASH PROVIDED BY FINANCING ACTIVITIES	1,117,590	880,368
NET CHANGE IN CASH & CASH EQUIVILANTS		
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	32,431	0
CASH & CASH EQUIVALENTS AT END OF PERIOD	36,627	32,431

Notes to California Style Palms Inc Unaudited Financial Statements For the Periods Ending December 31, 2015 and 2014

Note 1 - General

Business - California Style Palms, Incorporated, a Delaware Corporation ("California Style Palms", and also referred to herein as "us", "we" and "our"), formerly known as Holdings US, Inc. was formed in July of 2013 and is headquartered in Orange, California. In September 30, 2013, the Company acquired the operations and assets with the exception of the real estate of Gregory Palm Farms as the first in a series of planned acquisitions of palm farms. Our plan is to acquire and consolidate palm farms that fit specific market criterion and utilize non-farmable acreage to develop facilities for the generation of solar power for resale.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The financial statements and accompanying notes to the financial statements are prepared in accordance with US GAAP and are unaudited. We believe these statements include all adjustments, which are of a normal and recurring nature, considered necessary for a fair presentation of the financial statements. The unaudited financial statements included herein should be read in conjunction with the financial statements and notes thereto.

Use of Estimates - The preparation of the condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, which are recorded in the period in which they become known.

Revenue Recognition - We derive revenues primarily from the sale and installation of decorative palm trees. Revenues are recognized when: (a) persuasive evidence of the sales arrangement exists, (b) the arrangement fee is fixed or determinable, (c) service delivery or performance has occurred, (d) customer acceptance has been received, if contractually required, and (e) collect-ability of the arrangement fee is probable.

Inventory - We recognize inventory at the lower of cost or market. Inventory is booked net

reserve for inventory on which the cost basis is higher than the market price which the Company can sell the inventory.

Property, Plant and Equipment -

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, if any. Acquisition costs include expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the asset and dismantling and restoring the site of an asset if there is a legal or constructive obligation and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred, Depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets and starts when the asset is available for use as intended by management. When significant parts of an item of property plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

The useful lives of tangible fixed assets are as follows:

- Buildings 33 to 50 years
- Machinery and equipment 3 to 14 years
- Furniture, fixtures, equipment and vehicles 5 to 10 years

Long Term Liabilities -

We account for Liabilities owed by the Company to third parties as Long Term Liabilities if the debt or obligation due over one year from the date of the balance sheet. Any portion of the long Term Liability obligation due within one year is treated as a current portion of Long Term Liability and shown as a current liability on the balance sheet.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income. The update improves the reporting of reclassifications out of accumulated other comprehensive income for certain transactions and is applied prospectively for periods beginning January 1, 2013. We do not anticipate that the accounting pronouncement will have a material impact on our consolidated financial statements in future periods.

In March 2013, the FASB issued ASU No. 2013-05, Liabilities (Topic 830): Parent's Accounting for

Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. The ASU is effective beginning after December 15, 2013 and requires the release of any cumulative translation adjustment into net income upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. We do not anticipate that the accounting pronouncement will have a material impact on our consolidated financial statements in future periods.

In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carry forward Exists. The ASU is effective for periods beginning after December 15, 2013 and standardizes the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. We do not anticipate that the accounting pronouncement will have a material impact on our consolidated financial statements in future periods.

From time to time, various other new accounting pronouncements are issued that we adopt as of the specified effective date. We believe that the impact of any other recently issued standards that are not yet effective will not have a material impact on our results of operations and financial position.

Note 3 - Stockholders' Equity

The Company has authorized 500,000,000 shares of Common Stock, with a par value of \$0.0001 and 100,000,000 shares of Preferred Stock. As of December 31, 2014 the Company has issued 1,920,447 shares of its Common Stock. As of December 31, 2015 the Company issued an additional 10,500,000 shares for the acquisition of Gregory Palm Farms bringing the total outstanding shares to 12,420,447. The Company has no preferred shares issued or outstanding.