

2012 1st Quarter FINANCIAL STATEMENT



California Grapes International, Inc.
OTCPK: CAGR



All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11(a)(5) promulgated under the Securities Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format as set forth in the Guidelines for Providing Adequate Current Public Information provided by OTC Markets, LLC.

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Item 1 Exact name of the issuer and the address of its principal executive offices

California Grapes International, Inc.
2360 Corporate Circle Suite 400
Henderson, NV 89074
Tel: 1-855-558-WINE
Email: ir@cagrapes.com
Website: <http://www.cagrapes.com>

Item 2 Shares outstanding

Common Stock

1. March 31, 2012
2. Number of shares authorized: 2,500,000,000
3. Total number of shares issued & outstanding: 943,835,092
4. Est. Public float: 656,911,041
5. Est. Total number of shareholders: 471

Preferred Stock Class A

1. March 31, 2012
2. Number of shares authorized: 300,000,000
3. Total number of shares issued & outstanding: 200,000,000
4. Est. Public float: 0
5. Total number of shareholders: 4

Preferred Stock Class B

1. March 31, 2012
2. Number of shares authorized: 500,000,000
3. Total number of shares issued & outstanding: 165,000,000
4. Est. Public float: 0
5. Total number of shareholders: 4

Item 3 Interim financial statements

The following unaudited consolidated financial statements for the first quarter 2012 have been prepared in accordance to GAAP.

CALIFORNIA GRAPES INTERNATIONAL, INC. & SUBSIDIARY UNAUDITED CONSOLIDATED BALANCE SHEET AS OF March 31st, 2012

ASSETS

	03/31/2012	03/31/2011
CURRENT ASSETS		
USA Bank	\$9,961	\$8,941
Hong Kong Bank	\$1,000	\$0
China Bank	\$754	\$3,858
Other Cash & Cash Equivalents	\$165	\$750
TOTAL CASH & CASH EQUIVALENTS	\$11,880	\$13,549
Accounts receivable	\$163,377	\$138,076
Inventories	\$665,568	\$92,601
TOTAL CURRENT ASSETS	\$840,825	\$244,226
PROPERTY AND EQUIPMENT		
Accumulated Depreciation	\$126,486	\$130,961
	(\$25,297)	(\$32,493)
NON-CURRENT ASSETS		
Loan to Beijing Sub	\$364,093	\$240,093
Investment in subsidiaries	\$15,000	\$15,000
TOTAL ASSETS	\$1,317,987	\$597,787

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$54,283	\$124,915
Settlement payable	\$0	\$0
Salary payables	\$51,500	\$31,250
Investor's loan	\$0	\$20,000
Shareholder loan	\$15,250	\$0
Total Current Liabilities	\$121,033	\$176,165
STOCKHOLDERS' DEFICIT		
Preferred A stock 300,000,000 authorized: Issued and outstanding)	\$3,000,000	0
Preferred B stock 500,000,000 authorized: Issued and outstanding)	\$825,000	0

Common stock Post-Split(\$.001 par value, 2,500,000,000 shares authorized:	\$943,835	\$3,753,835
943,835,092 (shares issued and outstanding 12/31/11) - 971,107,847 (03/31/12)	\$0	\$0
Additional Paid in Capital	\$0	\$0
Common Stock	\$0	\$0
Retained Earnings	\$0	\$0
Net Income	(\$58,329)	(\$78,586)
Accumulated Deficit	(\$3,513,552)	(\$3,253,628)
Total Stockholders' Deficit	\$1,196,954	\$421,621
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$1,317,987	\$597,786

CALIFORNIA GRAPES INTERNATIONAL, INC. & SUBSIDIARY UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AS OF March 31st, 2012

	03/31/2012	03/31/2011
SALES AND COST OF SALES:		
Sales	\$199,498	\$83,449
Cost of sales	(\$166,466)	(\$12,739)
GROSS PROFIT	\$33,032	\$70,710
OPERATING EXPENSES:		
Accounting Fees	\$127	\$0
Advertising & Promotion	\$29,992	\$631
Bank Fees	\$465	\$553
Consulting Services	\$0	\$0
Consumption Tax	\$10,385	\$0
Customs CIQ Samples	\$0	\$0
Customs Tax	\$11,447	\$0
Customs VAT	\$17,136	\$0
Depreciation	\$0	\$0
Donations	\$0	\$0
Dues and Subscriptions	\$3,900	\$231
Gifts Received	\$0	\$0
Government Fees	\$8	\$1,307
Insurance, Medical	\$79	\$29
Interest Expense	\$169	\$116
Internet Service	\$104	\$593
IT-Hardware	\$0	\$294
IT-Software	\$0	\$0
Legal Fees	\$6,148	\$0
Logistics Fees	\$13,225	\$900
Maintenance and Repairs	\$43	\$583
Meals and Entertainment	\$3,444	\$0
Mobile Services	\$560	\$0
Office Supplies	\$847	\$582
Parking & Tolls	\$367	\$0
Payroll Expenses	\$0	\$12,817
Postage & Delivery	\$298	\$674
Per Diem	\$0	\$0
Printing & Reproduction	\$1,024	\$372
Professional Fees	\$8,824	\$5,922
Real Estate Deposit	\$13,386	\$0
Rent Apt.	\$1,714	\$0
Rent Office	\$4,048	\$3,794
Rent Store #1	\$0	\$0
Rent Warehouse	\$5,714	\$7,588
Retail Entrance Fees	\$0	\$0
Salaries and Wages	\$18,889	\$0
Salaries Liabilities	\$5,777	\$0

Sales Commissions	\$0	\$1,955
Taxes and Licenses	\$0	\$0
Telephone	\$176	\$746
Transportation	\$3,708	\$0
Travel	\$14,517	\$1,806
Utilities	\$138	\$195
VAT Sales	\$0	\$703
Vehicle Gas	\$1,400	\$1,169
Vehicle Maintenance	\$282	\$500
Vendor Payment	\$51,384	\$0
Other	\$0	\$0
	<u>(\$229,723)</u>	<u>(\$44,060)</u>
NET GAIN		\$26,650
NET LOSS	<u>(\$196,691)</u>	
Net loss per common share		
basic & fully diluted	<u> **</u>	<u> **</u>
Weighted average common		
shares outstanding - basic and fully		
diluted	<u>943,835,092</u>	<u>3,753,834,775</u>

** Less than \$.01

**CALIFORNIA GRAPES INTERNATIONAL, INC. & SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW
AS OF March 31st, 2012**

	03/31/2012	03/31/2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net gain		\$26,650
Net loss	(\$196,691)	
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	\$25,297	\$32,493
Stock issued to settle the debt		
(Increase) decrease in operating assets:		
Accounts receivable	(\$163,377)	(\$138,076)
Inventory	(\$665,568)	(\$92,601)
Due from shareholders		
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	\$121,033	\$156,165
NET CASH (USED IN) OPERATING ACTIVITIES	(\$879,306)	(\$15,370)
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Repayments) to stockholder loans		
Proceeds from private placement		
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$624,286	(\$56,567)
CASH AND CASH EQUIVALENTS:		
Beginning of period	\$15,669	\$12,873
End of period	\$11,880	\$13,548
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the quarter for interest	0	
Non-cash investing and financing activities:		
Increase in note payable due to interest accrued	0	
Common stock issued to settle the debt	10,000,000	40,000,000

The accompanying notes are an integral part of the financial statements

CALIFORNIA GRAPES INTERANTIONAL, INC & SUBSIDIARY UNAUDITED STATEMENT OF STOCKHOLDERS' EQUITY AS OF MARCH 31ST, 2012

	Preferred A Stock, \$0.015 Par		Additional Paid-in Capital	Accumulated Deficit
	Number of Shares	Amount		
Balances, December 31, 2011	200,00,000	\$3,000,000		
Issuances of preferred stock	0	0		
Balance, March 31, 2012	200,00,000	\$3,000,000		

	Preferred B Stock, \$0.005 Par		Additional Paid-in Capital	Accumulated Deficit
	Number of Shares	Amount		
Balances, December 31, 2011	165,000,000	\$825,000		
Issuances of preferred stock	0	0		
Balance, March 31, 2012	165,000,000	\$825,000		

	Common Stock, \$0.001 Par		Additional Paid-in Capital	Accumulated Deficit
	Number of Common Shares	Amount		
Balances, December 31, 2011	530,147,929	\$530,148	(\$43,600)	(\$486,548)
Issuances of common stock	413,687,163	\$413,687	(\$130,000)	(\$283,687)
Balance, March 31, 2012	943,835,092	\$943,835	(\$173,600)	(\$770,235)

Consolidated Notes to Financial Statements

For the three Months ending March 31st, 2011 and 2012

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES NATURE OF OPERATIONS

California Grapes International, Inc. ("Company") is traded on OTC Markets under the symbol CAGR. Its subsidiary is Beijing Jin Long Fei International trading Co., LTD. based in Beijing China.

The Company has agreements with wine manufactures throughout California to supply California wines to China as well to the other nations. The subsidiary is in the construction phase of an exclusive California wine retail shop in Beijing, this will be the companies first retail shop with a projected growth of 5 more retail outlets in China.

INVENTORIES

Inventories are stated market value, on the first in first out basis.

DEPRECIATION

Depreciation is computed using accelerated methods for buildings and production equipment and the straight line method for all other depreciable assets.

INCOME TAXES

Tax expense is the same for both book and taxes purposes.

NOTE B- SHORT TERM NOTE

A Note payable to Dr. Gabriel Novoa for the amount of \$65,000USD has expired May 31st, 2010 and is overdue.

A Note payable to Mr. Jesus Ubesorongo for the amount of \$65,000USD has expired May 31st, 2010 and is overdue.

A Note payable to Mr. Tyler Stokes for the amount of \$15,000USD has expired May 13th, 2011 and is overdue

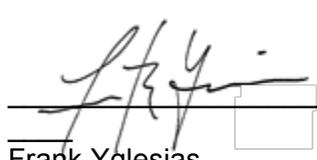
Item 4 Management's discussion and plan of operation

Sales for the first quarter were \$199,498 netting a profit of \$33,032. This turn around came from the boost in interest shown by the retail consumers in the Chinese wine market. This is the best quarter we've had in the history of the company, and while we acknowledge it is not where we expect to be, we do view it as a step in the right direction and a clear signal that we can begin pushing hard to move our projects forward.

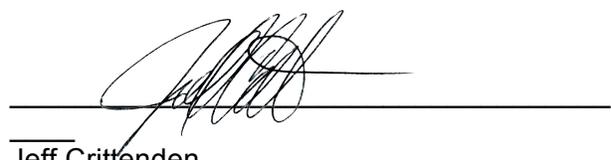
DIRECTOR'S REPORT FOR 1ST QUARTER END MARCH 31, 2012

The Board of Directors of California Grapes International, Inc. hereby submits the financial report of the Company for the 1st quarter end March 31, 2012 and reports as follows:

1. We have reviewed the 1st quarter end March 31, 2012 financial statements of California Grapes International, Inc.
2. Based on the board's knowledge, these financial statements 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 these financial statements; and
3. Based on the board's 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.



Frank Yglesias
Chairman of the Board



Jeff Crittenden
CEO/Secretary



Jeffrey Wieser
Treasurer



Brian Bumgarner
Vice-Chairman