

SinoFresh Healthcare, Inc.
Statement of Cash Flows
October through December 2008

****NOT AUDITED****

	<u>Oct - Dec 08</u>
OPERATING ACTIVITIES	
Net Income	-48,000.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-15,000.00
Inventory	-8,000.00
Prepaid Expense	-41,000.00
Accounts Payable	1,650,000.00
Accrued Expenses	1,281,000.00
Short Term debt	985,000.00
Net cash provided by Operating Activities	<u>3,804,000.00</u>
INVESTING ACTIVITIES	
Security Deposits	-5,000.00
Intangible Assets:Patents	-1,596,000.00
Net cash provided by Investing Activities	<u>-1,601,000.00</u>
FINANCING ACTIVITIES	
Long Term debt	705,000.00
Common Stock	8,314,000.00
Other equity	-52,000.00
Preferred Stock	5,896,000.00
Retained Earnings	-17,056,000.00
Net cash provided by Financing Activities	<u>-2,193,000.00</u>
 Net cash increase for period	 <u>10,000.00</u>
 Cash at end of period	 <u><u>10,000.00</u></u>

SinoFresh Healthcare, Inc.

Balance Sheet

As of December 31, 2008

****NOT AUDITED****

Dec 31, 08

ASSETS

Current Assets

Checking/Savings

SunTrust bank

10,000.00

Total Checking/Savings

10,000.00

Accounts Receivable

Accounts Receivable

15,000.00

Total Accounts Receivable

15,000.00

Other Current Assets

Inventory

8,000.00

Prepaid Expense

41,000.00

Total Other Current Assets

49,000.00

Total Current Assets

74,000.00

Other Assets

Security Deposits

5,000.00

Intangible Assets

1,596,000.00

Total Other Assets

1,601,000.00

TOTAL ASSETS

1,675,000.00

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable

1,650,000.00

Total Accounts Payable

1,650,000.00

Other Current Liabilities

Accrued Expenses

1,281,000.00

Short Term debt

985,000.00

Total Other Current Liabilities

2,266,000.00

Total Current Liabilities

3,916,000.00

Long Term Liabilities

Long Term debt

705,000.00

Total Long Term Liabilities

705,000.00

Total Liabilities

4,621,000.00

Equity

Common Stock

8,314,000.00

Other equity

-52,000.00

Preferred Stock

5,896,000.00

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Accrual Basis

SinoFresh Healthcare, Inc.
Balance Sheet
As of December 31, 2008

	Dec 31, 08 NOT AUDITED****
Retained Earnings	-16,019,000.00
Net Income	-1,085,000.00
Total Equity	<u>-2,946,000.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,675,000.00</u></u>

SinoFresh Healthcare, Inc.
Profit & Loss
October through December 2008

****NOT AUDITED****

	<u>Oct - Dec 08</u>
Ordinary Income/Expense	
Income	
Income from Continuing Oper	24,000.00
Sales	24,000.00
Total Income	<u>48,000.00</u>
Cost of Goods Sold	
Purchases - Resale Items	9,000.00
Total COGS	<u>9,000.00</u>
Gross Profit	39,000.00
Expense	
Interest Expense	-16,000.00
Research & Development	4,000.00
SG&A	99,000.00
Total Expense	<u>87,000.00</u>
Net Ordinary Income	<u>-48,000.00</u>
Net Income	<u><u>-48,000.00</u></u>

SinoFresh Healthcare, Inc.
Statement of Cash Flows
January through March 2009

****NOT AUDITED****

	<u>Jan - Mar 09</u>
OPERATING ACTIVITIES	
Net Income	-77,600.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-18,000.00
Inventory	5,700.00
Accounts Payable	-14,700.00
Accrued Expenses	10,000.00
Short Term debt	-6,000.00
Net cash provided by Operating Activities	<u>-100,600.00</u>
INVESTING ACTIVITIES	
Intangible Assets:Patents	57,500.00
Notes Receivable	-2,500,000.00
Deferred Revenue	2,500,000.00
Net cash provided by Investing Activities	<u>57,500.00</u>
FINANCING ACTIVITIES	
Retained Earnings	42,000.00
Net cash provided by Financing Activities	<u>42,000.00</u>
Net cash increase for period	-1,100.00
Cash at beginning of period	<u>10,000.00</u>
Cash at end of period	<u><u>8,900.00</u></u>

Balance Sheet

As of March 31, 2009

****NOT AUDITED****

Mar 31, 09

ASSETS

Current Assets

Checking/Savings

SunTrust bank

8,900.00

Total Checking/Savings

8,900.00

Accounts Receivable

Accounts Receivable

33,000.00

Total Accounts Receivable

33,000.00

Other Current Assets

Inventory

2,300.00

Prepaid Expense

41,000.00

Total Other Current Assets

43,300.00

Total Current Assets

85,200.00

Other Assets

Security Deposits

5,000.00

Intangible Assets

1,538,500.00

Notes Receivable

2,500,000.00

Deferred Revenue

-2,500,000.00

Total Other Assets

1,543,500.00

TOTAL ASSETS

1,628,700.00

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable

1,635,300.00

Total Accounts Payable

1,635,300.00

Other Current Liabilities

Accrued Expenses

1,291,000.00

Short Term debt

979,000.00

Total Other Current Liabilities

2,270,000.00

Total Current Liabilities

3,905,300.00

Long Term Liabilities

Long Term debt

705,000.00

Total Long Term Liabilities

705,000.00

Total Liabilities

4,610,300.00

Equity

Common Stock

8,314,000.00

SinoFresh Healthcare, Inc.
Balance Sheet
As of March 31, 2009

	Mar 31, 09 NOT AUDITED****
Other equity	-52,000.00
Preferred Stock	5,896,000.00
Retained Earnings	-17,062,000.00
Net Income	-77,600.00
Total Equity	<u>-2,981,600.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,628,700.00</u></u>

SinoFresh Healthcare, Inc.
Profit & Loss
January through March 2009

****NOT AUDITED****

Jan - Mar 09

Ordinary Income/Expense

Income

Income from Continuing Oper 3,600.00

Sales 32,700.00

Total Income 36,300.00

Cost of Goods Sold

Purchases - Resale Items 6,700.00

Total COGS 6,700.00

Gross Profit 29,600.00

Expense

Consulting Expense 30,000.00

Research & Development 1,000.00

SG&A 83,100.00

Total Expense 114,100.00

Net Ordinary Income -84,500.00

Other Income/Expense

Other Income

Interest Income 6,900.00

Total Other Income 6,900.00

Net Other Income 6,900.00

Net Income -77,600.00

SinoFresh Healthcare, Inc.
Statement of Cash Flows
April through June 2009

****NOT AUDITED****

	<u>Apr - Jun 09</u>
OPERATING ACTIVITIES	
Net Income	-102,234.00
Adjustments to reconcile Net income to net cash provided by operations:	
Accounts Receivable	-5,000.00
Inventory	2,300.00
Prepaid Expense	33,000.00
Accounts Payable	17,700.00
Accrued Expenses	14,000.00
Short Term debt	13,000.00
Net cash provided by Operating Activities	<u>-27,234.00</u>
INVESTING ACTIVITIES	
Security Deposits	3,000.00
Intangible Assets:Patents	58,500.00
Net cash provided by Investing Activities	<u>61,500.00</u>
FINANCING ACTIVITIES	
Retained Earnings	-42,166.00
Net cash provided by Financing Activities	<u>-42,166.00</u>
 Net cash increase for period	 -7,900.00
 Cash at beginning of period	 <u>8,900.00</u>
Cash at end of period	<u><u>1,000.00</u></u>

SinoFresh Healthcare, Inc.
Balance Sheet
As of June 30, 2009

****NOT AUDITED****

Jun 30, 09

ASSETS

Current Assets

Checking/Savings

SunTrust bank 1,000.00

Total Checking/Savings 1,000.00

Accounts Receivable

Accounts Receivable 38,000.00

Total Accounts Receivable 38,000.00

Other Current Assets

Prepaid Expense 8,000.00

Total Other Current Assets 8,000.00

Total Current Assets 47,000.00

Other Assets

Security Deposits 2,000.00

Intangible Assets 1,480,000.00

Notes Receivable 2,500,000.00

Deferred Revenue -2,500,000.00

Total Other Assets 1,482,000.00

TOTAL ASSETS 1,529,000.00

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 1,653,000.00

Total Accounts Payable 1,653,000.00

Other Current Liabilities

Accrued Expenses 1,305,000.00

Short Term debt 992,000.00

Total Other Current Liabilities 2,297,000.00

Total Current Liabilities 3,950,000.00

Long Term Liabilities

Long Term debt 705,000.00

Total Long Term Liabilities 705,000.00

Total Liabilities 4,655,000.00

Equity

Common Stock 8,314,000.00

Other equity -52,000.00

SinoFresh Healthcare, Inc.
Balance Sheet
As of June 30, 2009

	Jun 30, 09 NOT AUDITED****
Preferred Stock	5,896,000.00
Retained Earnings	-17,104,166.00
Net Income	-179,834.00
Total Equity	<u>-3,126,000.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,529,000.00</u></u>

SinoFresh Healthcare, Inc.
Profit & Loss
April through June 2009

****NOT AUDITED****

	<u>Apr - Jun 09</u>
Ordinary Income/Expense	
Expense	
Consulting Expense	45,000.00
Interest Expense	251.00
SG&A	89,233.00
Total Expense	<u>134,484.00</u>
Net Ordinary Income	-134,484.00
Other Income/Expense	
Other Income	
Other Income	1,000.00
Interest Income	31,250.00
Total Other Income	<u>32,250.00</u>
Net Other Income	<u>32,250.00</u>
Net Income	<u><u>-102,234.00</u></u>