

KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
Tortola, British Virgin Islands

FINANCIAL REPORTS

AT

August 31, 2009

KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
Tortola, British Virgin Islands

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KADING COMPANIES, S.A
(A BRITISH VIRGIN ISLANDS CORPORATION)
Tortola, British Virgin Islands

BALANCE SHEETS

November 30,	2009	2008
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ —	\$ 2,567
Prepaid Income Taxes	1,037	1,037
Advances - Stockholders	1,475,188	1,355,432
Investments - At Cost	118,207	120,707
Due from Related Parties	—	189,380
Other Current Assets	3,550	300
Total Current Assets	1,597,982	1,669,423
Other Assets	10,618	10,618
Total Assets	\$ 1,608,600	\$ 1,680,041
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Bank Overdraft	\$ 2	\$ —
Accounts Payable	18,000	18,000
Notes Payable - Due Within One Year	25,498	25,498
Other Current Liabilities	6,161	6,161
Total Liabilities	49,661	49,659
Stockholders' Equity		
Common Stock - \$0.01 Par; 50,000,000 Shares Authorized, 85,882,488 and 79,082,488 Issued and Outstanding, respectively	858,825	790,825
Additional Paid-In-Capital	1,036,191	1,070,191
Accumulated Deficit	(299,887)	(194,444)
Less: Treasury Stock, 22,400 Shares at Cost	(36,190)	(36,190)
Total Stockholders' Equity	1,558,939	1,630,382
Total Liabilities and Stockholders' Equity	\$ 1,608,600	\$ 1,680,041

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

See Accountant's Compilation Report

KADING COMPANIES, S.A
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Tortola, British Virgin Islands

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional	Accumulated	Treasury	Total
	Number	Value	Paid-In	Deficit	Stock	Stockholders'
	of Shares		Capital			Deficit
Balance - September 1, 2007	49,083,700	\$ 490,837	\$ 1,233,648	\$ (161,635)	\$ (36,190)	\$ 1,526,660
Common Stock Issued for Cash	19,333,333	193,333	(80,333)	—	—	113,000
Common Stock Issued in Exchange for Services	10,665,455	106,655	(83,124)	—	—	23,531
Net Loss	—	—	—	(32,809)	—	(32,809)
Balance - August 31, 2008	79,082,488	790,825	1,070,191	(194,444)	(36,190)	1,630,382
Common Stock Issued for Cash	6,600,000	66,000	(33,000)	—	—	33,000
Common Stock Issued in Exchange for Services	200,000	2,000	(1,000)	—	—	1,000
Net Loss	—	—	—	(105,443)	—	(105,443)
Balance - August 31, 2009	85,882,488	\$ 858,825	\$ 1,036,191	\$ (299,887)	\$ (36,190)	\$ 1,558,939

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

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KADING COMPANIES, S.A
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Tortola, British Virgin Islands

STATEMENTS OF OPERATIONS

Years Ended November 30,	2009	2008
Revenues, Net	\$ —	\$ —
Expenses		
Consulting	—	19,831
General and Administrative	3,417	12,142
Total Expenses	3,417	31,973
Loss Before Other Expense	(3,417)	(31,973)
Other Expense		
Forgiveness of Notes Receivable	101,356	—
Provision for Taxes	670	836
Net Loss	\$ (105,443)	\$ (32,809)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	85,016,735	60,862,796

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KADING COMPANIES, S.A
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Tortola, British Virgin Islands

STATEMENTS OF CASH FLOWS

Years Ended November 30,	2009	2008
Cash Flows from Operating Activities		
Net Loss	\$ (105,443)	\$ (32,809)
Non-Cash Adjustments:		
Common Stock Issued in Exchange for Services	1,000	23,531
Depreciation	—	165
Forgiveness of Notes Receivable	101,356	—
Worthless Investment	2,500	4,679
Changes in Assets and Liabilities:		
Prepaid Income Taxes	—	(1,037)
Other Current Assets	(3,250)	(413)
Other Current Liabilities	—	(1,856)
Net Cash Flows from Operating Activities	(3,837)	(7,740)
Cash Flows from Investing Activities		
Purchase of Investments	—	(15,900)
Repayment from Related Party	88,024	(48,025)
Repayment from (Advances to) Stockholders	(119,756)	(33,365)
Net Cash Flows from Investing Activities	(31,732)	(97,290)
Cash Flows from Financing Activities		
Proceeds from Issuance of Common Stock	33,000	113,000
Repayment of Debt	—	(5,022)
Net Cash Flows from Financing Activities	33,000	107,978
Net Change in Cash and Cash Equivalents	(2,569)	2,948
Cash and Cash Equivalents - Beginning of Year	2,567	(381)
Cash and Cash Equivalents - End of Year	\$ (2)	\$ 2,567

KADING COMPANIES, S.A.
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Tortola, British Virgin Islands

NOTES TO FINANCIAL STATEMENTS

Note A - The Company

Kading Companies, S.A. (the "Company") was incorporated under the International Business Companies Ordinance of the Territory of the British Virgin Islands on October 10, 1995 to provide consulting services for mergers and acquisitions. The Company provides consultation services to expedite reverse mergers. The Company also intends to acquire operating companies through the issuance of its stock and to eventually spin these companies off to its existing stockholders.

Note B - Summary of Significant Accounting Policies

Method of Accounting

The Company maintains its books and prepares its financial statements on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions, which periodically may exceed federally insured amounts.

Income Taxes

The Company is not subject to income taxes. The Company may qualify as a passive foreign investment company ("PFIC") under United States tax law. If it does, U.S. citizens and residents who are stockholders will be required to pay taxes and interest on deferred taxes when shares of the Company are sold by them, or when they receive distributions from the Company. This additional interest may be avoided if a stockholder makes an election to be taxed currently on the earnings of the Company (if the Company is a PFIC at any time). Stockholders should consult with their tax advisors regarding the consequences of being stockholders of a PFIC, and the impact of the election to currently tax earnings.

Earnings per Share

Earnings per share of common stock are computed in accordance with FASB ASC 260 (prior authoritative literature: FASB Statement No. 128.), FASB ASC 260 replaces SFAS No. 128, "Earnings per Share". Basic earnings per share are computed by dividing income or loss available to common shareholders by the weighted-average number of common shares outstanding for each period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding assuming conversion of all potentially dilutive stock options, warrants and convertible securities, if dilutive. Common stock equivalents that are anti-dilutive are excluded from both diluted weighted average number of common shares outstanding and diluted earnings per share.

Financial Instruments

The Company's financial instruments consist of cash, long-term investments, and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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KADING COMPANIES, S.A.
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Tortola, British Virgin Islands

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note B - Summary of Significant Accounting Policies – continued

Stock-Based Compensation

Stock-based compensation is computed in accordance with FASB ASC 718 (prior authoritative literature: FASB Statement No. 123R). FASB ASC 718 replaces SFAS No. 123R which requires all share-based payment to employees, including grants of employee stock options, to be recognized as compensation expense in the financial statements based on their fair values. That expense will be recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period). The Company has selected the Black-Scholes option pricing model as the most appropriate fair value method for our awards and have recognized compensation costs immediately as our awards are 100% vested.

Note C - Going Concern

The Company's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has reported recurring losses from operations. As a result, there is an accumulated deficit of \$299,887 at August 31, 2009.

The Company's continued existence is dependent upon its ability to raise capital or acquire a marketable company. The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note D - Recently Issued Accounting Standards

In February 2006, the Financial Accounting Standards Board ("FASB") issued FASB ASC 815-15-25 (Prior authoritative literature: FASB Statement 155, "Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statement No. 133 and 140"). FASB ASC 815-15-25 resolves issues addressed in Statement 133 Implementation Issue No. D1, "Application of Statement 133 to Beneficial Interest in Securitized Financial Assets." FASB ASC 815-15-25 is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended August 31, 2008. The adoption of FASB ASC 815-15-25 did not have a material effect on its consolidated financial instruments.

In March 2006, the FASB issued FASB ASC 860-50-35 (Prior authoritative literature: FASB Statement 156, "Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140"). FASB ASC 860-50-35 amends FASB Statement No. 140 with respect to the accounting for separately recognized servicing assets and servicing liabilities. FASB ASC 860-50-35 requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practical. FASB ASC 860-50-35 is effective as of the beginning of the first fiscal year that begins after September 15, 2006. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended August 31, 2008. The adoption of FASB ASC 860-50-35 did not have a material effect on its consolidated financial statements.

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NOTES TO FINANCIAL STATEMENTS

Note D - Recently Issued Accounting Standards – continued

In September 2006, the Financial Accounting Standards Board ("FASB") issued FASB ASC 820 (Prior authoritative literature: FASB Statement 157, "Fair Value Measurements"). FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. FASB ASC 820 is effective as of the beginning of the first fiscal year that begins after November 15, 2007. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended August, 2009. The adoption of FASB ASC 820 did not have a material effect on its consolidated financial statements.

In February 2007, the Financial Accounting Standards Board ("FASB") issued FASB ASC 825-10 (Prior authoritative literature: FASB Statement 159, "The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115"). FASB ASC 825-10 permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. FASB ASC 825-10 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended August, 2009. The adoption of FASB ASC 825-10 did not have a material effect on its consolidated financial statements.

In December 2007, the Financial Accounting Standards Board ("FASB") issued FASB ASC 810-10-65 (Prior authoritative literature: FASB Statement 160, "Non-controlling Interests in Consolidated Financial Statements, an amendment of ARB No. 51"). FASB ASC 810-10-65 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. FASB ASC 810-10-65 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. As such, the Company was required to adopt these provisions at the beginning of the fiscal year ended August 31, 2009. The adoption of FASB ASC 810-10-65 on its consolidated financial statements did not have a material effect.

In December 2007, the Financial Accounting Standards Board ("FASB") issued FASB ASC 805 (Prior authoritative literature: FASB Statement 141(R), "Business Combinations"). FASB ASC 805 establishes principles and requirements for how the acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. FASB ASC 805 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. As such, the Company was required to adopt these provisions at the beginning of the fiscal year ended August 31, 2009. The adoption of FASB ASC 805 on its consolidated financial statements did not have a material effect.

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NOTES TO FINANCIAL STATEMENTS

Note D - Recently Issued Accounting Standards – continued

In March 2008, the Financial Accounting Standards Board (“FASB”) issued FASB ASC 815-10 (Prior authoritative literature: FASB Statement 161, *“Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133”*). FASB ASC 815-10 requires enhanced disclosures about an entity’s derivative and hedging activities. FASB ASC 815-10 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 with early application encouraged. As such, the Company was required to adopt these provisions at the beginning of the fiscal year ended August 31, 2009. The adoption of FASB ASC 815-10 on its consolidated financial statements did not have a material effect.

In May 2008, the Financial Accounting Standards Board (“FASB”) issued FASB ASC 944 (Prior authoritative literature: FASB Statement 163, *“Accounting for Financial Guarantee Insurance Contracts—an interpretation of FASB Statement No. 60”*). FASB ASC 944 interprets Statement 60 and amends existing accounting pronouncements to clarify their application to the financial guarantee insurance contracts included within the scope of that Statement. FASB ASC 944 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years. As such, the Company was required to adopt these provisions at the beginning of the fiscal year ended August 31, 2009. The adoption of FASB ASC 944 on its consolidated financial statements did not have a material effect.

In May 2009, the Financial Accounting Standards Board (“FASB”) issued FASB ASC 855-10 (Prior authoritative literature: FASB Statement 165, *“Subsequent Events”*). FASB ASC 855-10 establishes principles and requirements for subsequent events. FASB ASC 855-10 is effective for interim or annual financial periods ending after June 15, 2009. As such, the Company is required to adopt this standard in the current period. Adoption of FASB ASC 855-10 did not have a significant effect on the Company’s consolidated financial statements.

In June 2009, the Financial Accounting Standards Board issued FASB ASC 105-10 (prior authoritative literature: FASB Statement No. 168, *“The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles”*). FASB ASC 105-10 replaces SFAS 162 and establishes the *FASB Accounting Standards Codification* as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. FASB ASC 105-10 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. As such, the Company is not required to adopt this standard in the current period. The Company however, decided to apply the new pronouncement early. Adoption of FASB ASC 105-10 did not have a significant effect on the Company’s consolidated financial statements.

Note E – Related Party Transactions

At August 31, 2009 and 2008 the Company has investments totaling \$118,207 and \$120,707, respectively in entities for which the Company’s president also serves as an officer and is a stockholder.

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NOTES TO FINANCIAL STATEMENTS

Note F – Other Matters

Judgement filed against the Company by Seed Co.

Note G - Subsequent Events

The financial statements have not been updated for subsequent events occurring after ~~December 7~~, 2010, the date these financial statements were available to be issued.

COMMON SHARES & COMMON REG S SHARES

Weighted Average Shares Calculation

From September 1, 2008 to August 31, 2009 weighted average

	DAYS	Outstanding SHRS	
September	1	79,082,488	79,082,488 z
September	29	79,682,488	2,310,792,152
October	12	79,682,488	956,189,856 z
October	19	83,682,488	1,589,967,272
November	6	83,732,488	502,394,928
November	2	85,732,488	171,464,976
November	22	85,882,488	1,889,414,736
December	31	85,882,488	2,662,357,128
January	31	85,882,488	2,662,357,128
February	28	85,882,488	2,404,709,664
March	31	85,882,488	2,662,357,128
April	30	85,882,488	2,576,474,640
May	31	85,882,488	2,662,357,128
June	30	85,882,488	2,576,474,640
July	31	85,882,488	2,662,357,128
August	31	85,882,488	2,662,357,128
	<u>365</u>		<u>31,031,108,120</u>

✓ ##### / ✓ 365 = 85,016,735
Ties to F/S

 u

Weighted average z

①  shares outstanding.

②

BASIC CALC - DO NOT INCLUDE TREASURY!!!!

Common Stock 8/31/07

490427/ .01 Par =	49,042,700
Warrants 410/.01	41,000

Proof:

CS 8/31/07	49,042,700
Warrants	41,000
CS Purch	19,333,333
CS 4 Svs	<u>10,665,455</u>

Total CS 8/31/08	79,082,488
CS Purch	6,600,000
CS 4 Svs	<u>200,000</u>

Total CS 8/31/09	85,882,488
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COMMON SHARES & COMMON REG S SHARES

Weighted Average Shares Calculation

From September 1, 2008 to August 31, 2009 weighted average

	DAYS	Outstanding SHRS
September	18	49,083,700
September	12	50,083,700
October	31	50,083,700
November	9	50,083,700
November	3	50,333,700
November	17	51,333,700
November	1	53,833,700
December	6	53,833,700
December	14	54,833,700
December	11	55,667,033
January	31	55,667,033
February	14	55,667,033
February	15	58,667,033
March	25	58,667,033
March	6	59,167,033
April	1	59,167,033
April	29	69,082,488
May	31	69,082,488
June	30	69,082,488
July	20	69,082,488
July	11	72,082,488
August	12	72,082,488
August	18	78,082,488
August	1	79,082,488
	366	

Weighted average

/

366 =

60,862,796 z

Ties to F/S

883,506,600 z
601,004,400
1,552,594,700 z
450,753,300
151,001,100
872,672,900
53,833,700
323,002,200
767,671,800
612,337,363
1,725,678,023
779,338,462
880,005,495
1,466,675,825
355,002,198
59,167,033
2,003,392,152
2,141,557,128
2,072,474,640
1,381,649,760
792,907,368
864,989,856
1,405,484,784
79,082,488
22,275,783,275 H

BASIC CALC - DO NOT IN

Common Stock 8/31/07

490427/ .01 Par = 49,042,700
Warrants 410/01 41,000

Proof:

CS 8/31/07 49,042,700
Warrants 41,000
CS Purch 19,333,333
CS 4 Svs 10,665,455

Total CS 79,082,488