

3D Entertainment Holdings, Inc
(D/B/A 3D EYE SOLUTIONS, INC.)

Consolidated Financial Statements
For the Six Months Ended June 30, 2015
(Unaudited)

3D Eye Solutions, Inc.

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3D Entertainment Holdings

Balance Sheet - Unaudited

January through June 2015

	30-Jun 2015	31-Dec 2014
ASSETS		
Current Assets		
Checking/Savings	6	(7)
Total Checking/Savings	6	(7)
Accounts Receivable		
Accounts Receivable	54,965	54,965
Total Accounts Receivable	54,965	54,965
Other Current Assets		
Inventory	25,000	25,000
Notes Receivable	39,228	41,163
Total Other Current Assets	64,228	66,163
Total Current Assets	119,199	121,121
Fixed Assets		
Intangible Assets	1,081,102	1,081,102
Property, Plant, & Equipment	175,973	175,973
Accumulated Depreciation	(254,465)	(254,465)
Total Fixed Assets	1,002,610	1,002,610
TOTAL ASSETS	\$1,121,809	\$1,123,731
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities	360,700	360,700
Notes Payable	25,600	4,570
Accrued Salaries & Wages	180,000	120,000
Loans from Officers	12,469	12,469
Total Other Current Liabilities	578,769	497,739
Total Current Liabilities	578,769	497,739
Long Term Liabilities		
Long Term Debt	1,016,087	1,016,087
Total Long Term Liabilities	1,016,087	1,016,087
Total Liabilities	1,594,856	1,513,826
Equity		
Preferred Stock		
Series "A" - No par value. 9,316,161 shares issued and outstanding		
Series "B" - No par value. 4,500,000 shares issued and outstanding		
Common Stock - Par value \$0.0001 - 6,557,567,869 shares issued and outstanding as of December 31, 2014; and, 7,259,674,499 shares issued and outstanding as of June 30, 2015.	725,967	655,757
Paid in Capital-Preferred	288,000	288,000
Paid in Capital - Common	635,303	635,303
Adjustments to Equity	(536,700)	(447,590)
Accumulated Deficit	(1,521,565)	(1,322,989)
Net Income	(64,052)	(198,576)
Total Shareholders' Equity(Deficiency)	(473,047)	(390,095)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$1,121,809	\$1,123,731

3D Entertainment Holdings

Income Statement - Unaudited

January through June 2015

	<u>Jan. - June</u> <u>2015</u>	<u>Jan. - Dec.</u> <u>2014</u>
Ordinary Income/Expense		
Ordinary Income		
Sales	0	0
Interest Income	0	0
Total Income	<u>0</u>	<u>0</u>
Cost of Goods Sold	0	0
Subcontracted Services	0	0
Total COGS	<u>0</u>	<u>0</u>
Gross Profit	\$0	\$0
Expense		
Advertising and Promotion	0	299
Automobile Expense	1,808	3,553
Bank Service Charges	154	714
General Office & Administrative	2,090	58,216
Insurance Expense	0	5,647
Office Supplies	0	201
Professional & Legal Fees	0	8,810
Salaries & Wages	60,000	120,000
Tax Expense	0	1,136
Total Expense	<u>\$64,052</u>	<u>\$198,576</u>
Net Ordinary Income (Loss) from Operations	(64,052)	(198,576)
Other Income/Expense		
Other Income	0	0
Forgiveness of Debt	0	0
Total Other Income	<u>0</u>	<u>0</u>
Net Other Income	<u>0</u>	<u>0</u>
Net Income (Loss)	<u><u>(64,052)</u></u>	<u><u>(198,576)</u></u>

3D Entertainment Holdings
Consolidated Statement of Stockholders' Equity (Deficit)
For the Period Ended June 30, 2015 - Unaudited

	<u>Preferred Shares "A"</u>	<u>Preferred Shares "B"</u>	<u>Common Shares</u>	<u>Amount</u>	<u>Preferred Additional Paid-In Capital</u>	<u>Common Additional Paid-In Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Adjustments to Equity</u>	<u>Profit (Loss)</u>	<u>Total Equity</u>
Balance, December 31, 2014	<u>9,316,161</u>	<u>4,500,000</u>	<u>6,557,567,869</u>	<u>\$ 655,757</u>	<u>\$ 288,000</u>	<u>\$ 635,303</u>	<u>\$ (1,322,989)</u>	<u>\$ (447,590)</u>	<u>\$ (198,576)</u>	<u>\$ (390,095)</u>
Common Stock Issued			344,408,000	34,441						
Preferred Stock Issued										
Net Income (Loss)									(33,334)	
Balance, March 31, 2015	<u>9,316,161</u>	<u>4,500,000</u>	<u>6,901,975,869</u>	<u>\$ 690,198</u>	<u>\$ 288,000</u>	<u>\$ 635,303</u>	<u>\$ (1,521,565)</u>	<u>\$ (482,031)</u>	<u>\$ (33,334)</u>	<u>\$ (423,429)</u>
Common Stock Issued			357,698,630	35,770						
Preferred Stock Issued										
Net Income (Loss)									(30,718)	
Balance, June 30, 2015	<u>9,316,161</u>	<u>4,500,000</u>	<u>7,259,674,499</u>	<u>\$ 725,967</u>	<u>\$ 288,000</u>	<u>\$ 635,303</u>	<u>\$ (1,521,565)</u>	<u>\$ (536,700)</u>	<u>\$ (64,052)</u>	<u>\$ (473,047)</u>

3D Entertainment Holdings
Statement of Cash Flows - Unaudited
January through June 2015

	<u>Jan. - June</u> <u>2015</u>	<u>Jan. - Dec.</u> <u>2014</u>
OPERATING ACTIVITIES		
Net Income	(64,052)	(198,576)
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts receivable	0	0
Trade Notes Payable increase (decrease)	2,130	5,970
Loans From Officers	0	12,299
Accrued Salaries & Wages	60,000	120,000
Increase (Decrease) Accounts payable	0	0
Increase (Decrease) Notes payable	0	70,000
Net cash provided by Operating Activities	<u>(1,922)</u>	<u>9,693</u>
INVESTING ACTIVITIES		
Trade Notes Receivable (increase) decrease	1,935	(9,963)
Net cash used by Investing Activities	<u>1,935</u>	<u>(9,963)</u>
FINANCING ACTIVITIES		
Net principal of debt extinguished	0	0
Net effect on transfer of Assets & Liabilities	0	0
Net cash provided by Financing Activities	<u>0</u>	<u>0</u>
Net cash increase for period	13	(270)
Cash at beginning of period	(7)	263
Cash at end of period	<u><u>6</u></u>	<u><u>(7)</u></u>

3D ENTERTAINMENT HOLDINGS, INC.
(D/B/A 3D EYE SOLUTIONS, INC.)
FORMERLY AFA MUSIC GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED June 30, 2015

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION:

3D Eye Solutions, Inc. ("Company") formerly AFA Music Group, Inc. operates through its wholly owned subsidiary 3D Eye Solutions, LLC, which is a service provider and integrator for the 3D stereoscopic and auto-stereoscopic media industry and which owns proprietary technology to convert existing 2D content into 3D both with and without glasses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of statements of cash flows, the Company considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. At June 30, 2015, the Company did not have any funds in excess of the \$100,000 FSLIC limitations.

The statement of cash flows is prepared on the basis of cash and cash equivalents. For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less, unless restricted as to use, to be cash equivalents.

Advertising and Marketing

Advertising costs are expensed as incurred and are included in the operating expenses. The advertising and promotion expense for the period ended June 30, 2015 was \$0.00.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(CONTINUED)**

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the following useful lives:

Software 3 years

Equipment 5 years

Intangible Assets 15 years

Repairs and maintenance costs are expensed, while additions and betterments are capitalized.

Income Taxes

Deferred taxes are reported using the liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

Fair Value of Financial Instruments

The carrying amount reported in the balance sheet for cash and cash equivalents approximate fair value because of the immediate or short-term maturity of these financial instruments.

NOTE 3 – NOTES PAYABLE

Notes Payable consists of trade notes due to several companies, as well as an \$18,900 convertible note due to Mr. Edward Vakser.

NOTE 4 – LONG TERM DEBT

Long Term Debt consists of amounts due to shareholders, who have advanced funds to the Company for operating purposes. The amount owed at the period ended June 30, 2015 was \$1,016,087 in the form of a convertible note.

NOTE 5 – REVERSE MERGER

3D Eye Solutions, LLC, a Florida corporation, was acquired by AFA Music Group, Inc. in July 2008, by issuance of shares to the current controlling shareholders of the Company in a reverse merger. There after the Company changed its name to 3D Eye Solutions, Inc.

NOTE 6 – STOCKHOLDERS' EQUITY

At June 30, 2015 the Company had three classes of stock, common having a par value of \$.0001, preferred stock Series A and preferred stock Series B, having no par value. The Company is authorized to issue 9,000,000,000 shares of the common stock and 10,000,000 shares of each preferred stock series.