

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

Consolidated Financial Statements
For the Three Months Ended March 31, 2016
(Unaudited)

3D Eye Solutions, Inc.

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3D Entertainment Holdings

Balance Sheet - Unaudited

January through March 2016

	31-Mar 2016	31-Dec 2015
ASSETS		
Current Assets		
Checking/Savings	(12)	(6)
Total Checking/Savings	(12)	(6)
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	39,271	39,238
Total Other Current Assets	64,271	64,238
Total Current Assets	119,224	119,197
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	\$1,121,834	\$1,121,807
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities	360,700	360,700
Notes Payable	25,600	25,600
Accrued Salaries & Wages	100,000	100,000
Loans from Officers	12,801	12,659
Total Other Current Liabilities	499,101	498,959
Total Current Liabilities	499,101	498,959
Long Term Liabilities		
Long Term Debt	1,016,087	1,016,087
Total Long Term Liabilities	1,016,087	1,016,087
Total Liabilities	1,515,188	1,515,046
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, 2015; and, 7,259,674,499 shares issued and outstanding as of March 31, 2016.	725,967	725,967
Paid in Capital-Preferred	288,000	288,000
Paid in Capital - Common	635,303	635,303
Adjustments to Equity	(496,700)	(496,700)
Accumulated Deficit	(1,545,809)	(1,501,565)
Net Income	(115)	(44,244)
Total Shareholders' Equity(Deficiency)	(393,354)	(393,239)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$1,121,834	\$1,121,807

3D Entertainment Holdings

Income Statement - Unaudited

January through March 2016

	Jan. - March 2016	Jan. - Dec. 2015
Ordinary Income/Expense		
Ordinary Income		
Sales	0	0
Interest Income	0	0
Total Income	0	0
Cost of Goods Sold	0	0
Subcontracted Services	0	0
Total COGS	0	0
Gross Profit	\$0	\$0
Expense		
Automobile Expense	0	1,808
Bank Service Charges	45	238
General Office & Administrative	70	2,198
Salaries & Wages	0	40,000
Total Expense	\$115	\$44,244
Net Ordinary Income (Loss) from Operations	(115)	(44,244)
Other Income/Expense		
Other Income	0	0
Forgiveness of Debt	0	0
Total Other Income	0	0
Net Other Income	0	0
Net Income (Loss)	(115)	(44,244)

3D Entertainment Holdings
Consolidated Statement of Stockholders' Equity (Deficit)
For the Period Ended March 31, 2016 - Unaudited

	Preferred Shares "A"	Preferred Shares "B"	Common Shares	Amount	Preferred Additional Paid-In Capital	Common Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Adjustments to Equity	Profit (Loss)	Total Equity
Balance, December 31, 2015	9,316,161	4,500,000	7,259,674,499	\$ 725,967	\$ 288,000	\$ 635,303	\$ (1,501,565)	\$ (496,700)	\$ (44,244)	\$ (393,239)
Common Stock Issued										
Preferred Stock Issued										
Net Income (Loss)									(115)	
Balance, March 31, 2016	9,316,161	4,500,000	7,259,674,499	\$ 725,967	\$ 288,000	\$ 635,303	\$ (1,545,809)	\$ (496,700)	\$ (115)	\$ (393,354)

3D Entertainment Holdings
Statement of Cash Flows - Unaudited
January through March 2016

	Jan. - March 2016	Jan. - Dec. 2015
OPERATING ACTIVITIES		
Net Income	(115)	(44,244)
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts receivable	(33)	0
Trade Notes Payable increase (decrease)	0	2,130
Loans From Officers	143	190
Accrued Salaries & Wages	0	40,000
Increase (Decrease) Accounts payable	0	0
Increase (Decrease) Notes payable	0	0
Net cash provided by Operating Activities	(5)	(1,924)
INVESTING ACTIVITIES		
Trade Notes Receivable (increase) decrease	0	1,925
Net cash used by Investing Activities	0	1,925
FINANCING ACTIVITIES		
Net principal of debt extinguished	0	0
Net effect on transfer of Assets & Liabilities	0	0
Net cash provided by Financing Activities	0	0
Net cash increase for period	(5)	1
Cash at beginning of period	(7)	(7)
Cash at end of period	<u>(12)</u>	<u>(6)</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 March 31, 2016

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 March 31, 2016, 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 March 31, 2016 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 March 31, 2016 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 March 31, 2016 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.