

**ANNUAL REPORT OF**  
**AFFINITY BEVERAGE GROUP, INC .**  
**FOR THE QUARTER ENDED MARCH 31, 2016**

A NEVADA CORPORATION

2360 Corporate Circle, Suite 400, Henderson, NV 89074

(888) 406-1138

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## **ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS**

The exact name of the company is Affinity Beverage Group, Inc .

The company was originally incorporated as E Investments, Inc., in the state of Nevada on February 25, 1999. On December 16, 1999, the Company changed its name to Arbor, Inc. On February 19, 2004, the Company changed its name to China Granite Corporation. On June 14, 2006, the Company changed its name to Affinity Beverage Group, Inc .

## **ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES**

### **A. Company Headquarters**

Our principal executive and administrative offices are located at 2360 Corporate Circle, Suite 400, Henderson, NV 89074.

Email: [info@affinitybeverage.com](mailto:info@affinitybeverage.com)

Website: [www.affinitybeverage.com](http://www.affinitybeverage.com)

### **B. IR Contact**

2360 Corporate Circle, Suite 400, Henderson, NV 89074

Phone: (888) 406-1138

Email: [info@affinitybeverage.com](mailto:info@affinitybeverage.com)

Website: [www.affinitybeverage.com](http://www.affinitybeverage.com)

## **ITEM 3. SECURITY INFORMATION**

Trading symbol: ABVG

CUSIP: 00831F101

Exact title and class of securities outstanding:

As of the quarter ended March 31, 2016, the capital stock of the company was as follows:

Class: Common stock, \$ 0.001 par value;

Number of shares authorized: 1,000,000,000 shares;

Number of shares outstanding: 633,443,027 issued and outstanding;

Freely tradable shares: 574,448,063;

Total number of shareholders of record: 248

Transfer Agent: Madison Stock Transfer, Inc.  
1688 East 16<sup>th</sup> Street  
Brooklyn, NY 11229

Telephone: (718) 627-4453

FAX: (718) 627-6341

Is the transfer agent registered under the Exchange Act?  
Yes.

List any restrictions on the transfer of security:  
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:  
None.

#### **ITEM 4. ISSUANCE HISTORY**

The company has not executed any securities offering, either public or private, since December, 2010.

## ITEM 5. FINANCIAL STATEMENTS:

### AFFINITY BEVERAGE GROUP, INC.

#### Balance Sheet

March 31, 2016 & December 31, 2015

Unaudited

	March 31, <u>2016</u>	December 31, <u>2015</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash on hand, in bank	\$ 1,789	\$ 2,104
Accounts receivable	10,593	-
Inventory	140,844	-
<b>Total current assets</b>	153,226	2,104
<b>Fixed Assets</b>	-	-

**Other Assets**

Other capitalized costs	49,130	
Investment - Parker Technologies	13,000	13,000
<b>Total other assets</b>	<b>62,130</b>	<b>\$ 13,000</b>
<b>Total assets</b>	<b>215,356</b>	<b>15,104</b>

See accountants' report and notes to financial statements

**AFFINITY BEVERAGE GROUP, INC .****Balance Sheet****March 31, 2016 & December 31, 2015****Unaudited**

	March 31,	December 31,
	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>LIABILITIES</b>		

**Current Liabilities**

Accounts payable	267,399	145
Consolidated subsidiary costs	326,997	-
Non-convertible debt	220,500	-
Current portion - long-term debt	25,000	-
Intercompany transfers	45,000	-
<b>Total Current Liabilities</b>	<b>884,896</b>	<b>145</b>

**Long-term Liabilities**

Convertible debt	385,000	823,000
Non-convertible debt	963,000	
Other long-term debt	8,500	
<b>Total Long-term Liabilities</b>	<b>1,356,500</b>	
	-	-
<b>Total liabilities</b>	<b>2,241,396</b>	<b>823,000</b>

**STOCKHOLDERS' EQUITY**

Common stock, 1,000,000,000  
shares

authorized, par value \$.001

633,443,027 issued and  
outstanding at

3/31/16 and 12/31/15	633,443	633,443
Additional paid in capital	(1,638,424)	(461,184)
Retained earnings (Deficit)	(980,300)	(845,155)
Current earnings	(40,759)	(135,145)
<b>Total Stockholders' equity</b>	<b>(2,017,984)</b>	<b>(808,041)</b>
		.
<b>Total Liabilities and Stockholders' Equity</b>	<b>215,356</b>	<b>\$ 15,104</b>

**See accountants' report and notes to financial statements**

**AFFINITY BEVERAGE GROUP, INC .**

**Statement of Income**

**For the Three Months Ended**

**March 31, 2016 & March 31, 2015**

**Unaudited**

	Three Months Ended	
	March 31,	March 31,
	<u>2016</u>	<u>2015</u>
Revenue	2,842	-
<b>Total Revenue</b>	<u>2,842</u>	<u>-</u>
<b>Cost of Goods Sold</b>	-	-
<b>Total Cost of Goods Sold</b>	<u>1,705</u>	<u>-</u>
<b>Gross Income</b>	<u>1,137</u>	<u>-</u>
<b>Expenses</b>		
Transfer fees	-	-
Consulting fees	-	15,000
Registration fees, etc.	-	-
General & administrative	8,916	-
Office expense	-	120
Interest expense	2,980	-
Professional fees	30,000	30,000
<b>Total Expenses</b>	<u>41,896</u>	<u>45,120</u>
<b>Net earnings (Loss)</b>	<u>(40,759)</u>	<u>(45,120)</u>



See accountants report and notes to  
financials

**AFFINITY BEVERAGE GROUP**  
**Statement of Cash Flows**  
**For the Three Months Ended**  
**March 31, 2016 & March 31, 2015**  
**Unaudited**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income (Loss)</b>	\$ (40,759)	\$ (45,120)
Adjustments to reconcile net Income (Loss) to net cash provided by operations		
Accounts receivable	(10,593)	-
Inventory	(140,844)	-
Other capitalized costs	(49,130)	-
Accounts payable	267,254	120
Consolidated subsidiary costs	326,997	-
Other short-term debt	245,500	-

Intercompany transfers	45,000	-
<b>Net cash provided by operating activities</b>	643,425	(45,000)
<b>Investing Activities</b>	-	-
<b>Note payable</b>	533,500	45,000
<b>Net cash provided by investment activity</b>	533,500	45,000
<b>Financing Activities</b>		
<b>Additional paid in capital</b>	(1,177,240)	-
Net stock proceeds	-	-
	(1,177,240)	
<b>Net cash from financing activity</b>	-	-
<b>Net cash increase for period</b>	(315)	-
<b>Cash at beginning of period</b>	2,104	2,104
<b>Cash at end of period</b>	1,789	2,104

**See accountants report and notes to financial statements**

**AFFINITY BEVERAGE GROUP, INC .**  
**Statement of Stockholders' Equity**  
**March 31, 2016**  
**Unaudited**

	<b>Common Stock</b>	<b>Additional</b>	<b>Accum.</b>	<b>Total</b>
	<b><u>Shares</u></b>	<b><u>Amount</u></b>	<b><u>Paid-in-Capital</u></b>	<b><u>Stkhldrs' Equity</u></b>
<b>Balance at December 31, 2012</b>	6,853,629,726	\$6,853,630	\$ (6,287,648)	\$(584,039) \$ (18,057)
Reverse stocksplit - 3/28/13 (10-1)	685,362,973	685,363	(628,765)	(584,039) (527,441)
Stock sales - Dec. 31, 2013	(51,919,946)	(51,920)	167,581	115,661
Net income (loss) - 2013			(27,364)	(27,364)
<b>Balance at December 31, 2013</b>	633,443,027	633,443	(461,184)	(611,403) (439,144)
Net income (loss) - 2014			(233,752)	(233,752)
<b>Balance at December 31, 2014</b>	633,443,027	633,443	(461,184)	(845,155) (672,896)
Net income (loss) - 2015			(135,145)	(135,145)
<b>Balance at December 31, 2015</b>	633,443,027	633,443	(461,184)	(980,300) (808,041)
Non-stock acquisition			(1,177,240)	(1,177,240)
Net income (loss) - 3/31/16			(40,759)	(40,759)

Balance at March 31, 2016	633,443,027	633,443	(1,638,424)	(1,021,059)	(2,026,040)
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**See accountants report and notes to financial statements**

**AFFINITY BEVERAGE GROUP, INC .  
MARCH 31, 2016  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1- NATURE OF OPERATIONS**

**Nature of Operations**

The Company was incorporated in the state of Nevada February, 1999. The Company is a holding company organized with a goal of acquiring and managing a diversified portfolio of profitable, growth-oriented companies.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

**NOTE 3-STOCKHOLDERS' EQUITY**

The company's capitalization is 1,000,000,000 common shares with a par value of \$.001 per share.

**NOTE 4 – LONG-TERM DEBT**

As of March 31, 2016, the Company has convertible notes payable of \$447,500: (\$340,000 2013-2016 Vic Devlaeminck) and \$45,000 to Cutting Edge Business Services, \$62,500 to Trillium Partners and The company has other non-convertible debt associated with its acquisition of Village Tea Company.

## **ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.**

### **A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.**

The Company has recently changed business direction and become a holding company focused on branded consumer product acquisition opportunities in the \$3.4 trillion health and wellness sector.

### **B. DATE AND STATE OF INCORPORATION**

The Company was incorporated in the State of Nevada on March 2, 2006.

### **C. PRIMARY AND SECONDARY SIC CODES**

The Company's primary (and only) SIC code is 5063 (Holding Companies).

### **D. THE COMPANY'S FISCAL YEAR END DATE**

The Company's fiscal year ends on December 31.

### **E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS**

The Company primarily targets lifestyle brands, company and/or exclusive product distribution rights focusing on traditional and non-traditional healthy beverage options. The Company will also seek opportunities involving uniquely positioned young brands specializing in all natural/organic foods, bio-food, supplements and personal care products for strategic partnerships, distribution agreements and potential acquisition

## **F. RESULTS OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2016 COMPARED TO THE PERIOD ENDED MARCH 31, 2015:**

Revenues: The Company had revenue of \$2,842 for the period ended March 31, 2016, compared to no revenue for for the period ended March 31, 2015.

Cost of Revenues: The Company incurred costs of sales of \$1,705 for the period ended March 31, 2016 and did not incur any costs of sales for the quarter ended March 31, 2015.

Gross Profit: The Company had gross profit for the period ended March 31, 2016 of \$1,137 compared to no gross profit for the period ended March 31, 2015.

Operating Costs: Operating costs consist of the Company's administrative expenses before depreciation and interest. Operating costs for the period ended March 31, 2016 totaled \$41,896, compared to operating costs of \$45,120 for the period ended March 31, 2015.

Operating Gain (Loss): The Company produced an operating loss for the period ended March 31, 2016 of \$40,759, compared to an operating loss Of \$45,120 for the period ended March 31, 2015.

Net Gain (Loss) Before Income Taxes: Net gain or loss before income taxes represents operating gain or loss plus other (non-operating) gain or loss. For the period ended March 31, 2016, the company had a net loss of \$40,759, compared to a net loss of \$45,120 for the period ended March 31, 2015.

Liquidity and Capital Resources: During the period ended March 31, 2016, the Company did not produce any cash or cash equivalents from operations.

## **G. OFF-BALANCE SHEET ARRANGEMENTS**

The Company did not engage in any off-balance sheet arrangements during the fiscal quarter ended March 31, 2016.

## **ITEM 7. DESCRIBE THE ISSUER'S FACILITIES**

At this time the Company does not have any significant tangible assets and is in the process of identifying suitable targets for acquisition. The Company does not own any real estate and leases office space on a month-to-month basis.

## **ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS**

### **A. NAMES OF OFFICERS, DIRECTORS AND CONTROL PERSONS**

The current president and secretary of the Company Janon Costley, was hired on August 17, 2015. Mr. Janon Costley is the chairman and sole current member of the Board of Directors of

the Company.

## **B. LEGAL/DISCIPLINARY HISTORY**

Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

NO.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities:

NO.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated:

NO.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities:

NO.

## **C. BENEFICIAL SHAREHOLDERS**

Paul Bakajin  
512 N. Juanita Avenue, Unit A  
Redondo Beach, CA 90277

Mr. Bakajin is the owner of 365,920,000 common shares of the Company.

## **ITEM 9. THIRD PARTY PROVIDERS**

### **A. Legal Counsel**

Vic Devlaeminck  
10013 N.E. Hazel Dell Avenue  
Suite 317  
Vancouver, WA 98685  
PH: (503) 806-3533  
Email: [vic@vicdevlaeminck.com](mailto:vic@vicdevlaeminck.com)

Hoffman and Weigel  
Russ Weigel  
5775 Blue Lagoon Dr., Suite 100  
Miami, Florida 33126  
P. (786) 888-4567

B. Accountant or Auditor

Huynh,Hawkins and Associates International  
17011 Beach Blvd, #900  
Huntington Beach, CA 92647

C. Investor Relations Consultant

D. Other Advisor(s)

Martin Ekechukwu

B. Accountant or Auditor

C. Investor Relations Consultant

D. Other Advisor(s)

None.

## **ITEM 10. OTHER INFORMATION**

On August 17, 2015, Bill Schaefer resigned from his positions as CEO and director and Janon Costley was appointed elected to the Board of Directors and hired as the new CEO. It is the intention of new management to change the business direction of the company into a different and more profitable industry after first completing an internal reorganization.



On November 5, 2015,, the Company entered into an agreement with Accelpath, Inc., to acquire its wholly-owned subsidiary, Village Tea Company Distribution, Inc., in an equity exchange. Village Tea Company Distribution, Inc., sources high quality, unique teas that are blended to create distinct flavor combinations which are packaged in a variety of creative and earth-friendly ways for wholesale and retail sales. The brand has been sold in several major retailers in North America including Vitamin Shoppe, Whole Foods and many other independent specialty and grocery store retailers. Its products are also available through e-commerce retailers such as Amazon and the company's own website: [www.villageteaco.com](http://www.villageteaco.com).

On April 12, 2016, the Company received final approval from FINRA to change the name of the Company to Affinity Beverage Group, Inc., with a new trading symbol of ABVG and a new CUSIP number of 00831F101. The change is effective April 13, 2016, and will be reflected in future filings after that date.

## **ITEM 11. EXHIBITS**

N/A

## **ITEM 12. CERTIFICATIONS**

I, Janon Costley, certify that:

1. I have reviewed this amended quarterly disclosure statement of Affinity Beverage Group, Inc .
2. Based on my knowledge, this disclosure statement 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 this disclosure statement; and
3. Based on my 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.

/s/Janon Costley

Janon Costley, CEO

Dated: July 5, 2016