THE AMERGENCE GROUP INC.
CONSOLIDATED BALANCE SHEET
UNAUDITED
At JUNE 30, 2010

ASSETS

CURRENT ASSETS:		
Cash	$	1,027
Total current assets		1,027
OTHER ASSETS:		
DVD & CD enhancement & copy protection technology		1,196,131
Less accumulated amortization		(677,939)
Investments		2,409,500
Total assets	$	2,928,719

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	1,044,496
Loans from shareholders		960,812
Debentures payable and accrued interest		594,487
Total current liabilities		2,599,795
Total liabilities		
		2,599,795
STOCKHOLDERS' EQUITY		
Preferred stock, $.001 par value		
Class B Preferred Stock		
		65,000
Common stock, $.001 par value		
Paid in capital		351,523
Accumulated (deficit)		14,463,546
Total stockholders' equity		(14,551,145)
		328,924
Total liabilities and stockholders' equity		
	$	2,928,719

See accompanying notes to these unaudited consolidated financial statements.

THE AMERGENCE GROUP INC.
CONSOLIDATED STATEMENT OF OPERATIONS
UNAUDITED

		For the year ended June 30, 2010		For the year ended June 30, 2009
OPERATING EXPENSES				
General and administrative	$	17,845	$	4,709
Sales & marketing		2,500		629
Legal & accounting		111,728		118,568
Officer compensation		150,000		150,000
Consulting		128,195		329,744
Rent & utilities		21,095		19,500
Interest expense		106,949		24,750
Amortization and depreciation		0		0
Total Operating Expenses		538,312		647,900
Net (loss) from operations		(538,312)		(447,900)
(Loss) from sale of marketable securities		0		(6,771)
Net Income (loss)	$	(538,312)	$	(454,671)

See accompanying notes to these unaudited consolidated financial statements.

THE AMERGENCE GROUP INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
UNAUDITED

	Preferred Shares	Amount	Common Shares	Amount
Balance at June 30, 2008	6,500,000	$65,000	677,416	$677
Issuance of shares for loan to shareholder			10,000,000	10,000
Issuance of shares for debt			7,825,000	7,825
Net loss for the year ended June 30, 2009				
Balance at June 30, 2009	6,500,000	65,000	18,502,416	18,502
Shares issued for debt			37,450,000	37,450
Shares issued for interest expense			2,000,000	2,000
Shares issued for debenture and accrued interest			120,663,882	120,664
Shares issued to settle loans from shareholders			112,479,997	112,478
Shares issued to Panpacific Business Limited			60,000,000	60,000
Shares issued for consulting services			426,997	427
Net loss for the year ended June 30, 2010				
Balance at June 30, 2010	6,500,000	$65,000	351,523,292	$351,521

	Paid-In Capital	Accumulated (Deficit)	Total
Balance at June 30, 2008	$10,824,562	($13,358,162)	($2,467,923)
Issuance of shares for loan to shareholder	90,000		100,000
Issuance of shares for debt	112,378		120,203
Net loss for the year ended June 30, 2009		(654,671)	(654,671)
Balance at June 30, 2009	11,026,940	(14,012,833)	(2,902,391)
Shares issued for debt	419,150		456,600
Shares issued for interest expense	8,000		10,000
Shares issued for debenture and accrued interest	337,859		458,523
Shares issued to settle loans from shareholders	314,946		427,424
Shares issued to Panpacific Business Limited	2,340,000		2,400,000
Shares issued for consulting services	16,653		17,080
Net loss for the year ended June 30, 2010		(538,312)	(538,312)
Balance at June 30, 2010	$14,463,548	($14,551,145)	$328,924

See accompanying notes to these unaudited consolidated financial statements.

THE AMERGENCE GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

		For the year ended June 30, 2010		For the year ended June 30, 2009
OPERATING ACTIVITIES				
Net (loss) for the period	$	(538,312)	$	(454,671)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Depreciation and amortization expense				
Common shares issued for debt		1,369,627		
Changes in assets and liabilities				
(Increase)/decrease in prepaid expenses				925
(Increase)/decrease in marketable securities				6,771
Increase/(decrease) in accounts payable & accrued expenses		(849,871)		430,875
Increase/(decrease) in debenture payable & accrued interest		319,090		(104,103)
Increase/(decrease) in loans from shareholders		(290,558)		(100,000)
Net cash (used in) provided by operating activities		9,976		(220,203)
INVESTING ACTIVITIES				
Partial payment for joint venture with Panpacific Business Ltd.		(9,500)		
Net cash (used in) provided by investing activities		(9,500)		0
FINANCING ACTIVITIES				
Loan proceeds from sale of common stock to shareholder		0		100,000
Shares issued for debt				120,203
Net cash (used in) provided by financing activities		0		220,203
INCREASE (DECREASE) IN CASH		476		0
CASH, BEGINNING OF PERIOD		551		551
CASH, END OF PERIOD	$	1,027	$	551

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

60,000,000 common shares issued to Panpacific Business Ltd.	$2,400,000	$0

See accompanying notes to these unaudited consolidated financial statements.

THE AMERGENCE GROUP INC.
Notes to Unaudited Consolidated Financial Statements
For the years ended June 30, 2010 and 2009
(Unaudited)

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company

The Amergence Group Inc. ("AMNG") and its wholly owned subsidiaries "the Company" focuses on the development, nurturing and rapid expansion of selected emerging companies across a wide range of industries and disciplines. The primary goal of the new business development enterprise is to coordinate services and activities that foster and promote a business environment capable of accelerating the growth of innovative private companies. The Company believes it can identify and attract new and early-growth businesses wishing to avail themselves of resources not generally available to them including some or all of the following: locating mission-critical capital, guidance if they wish to transition into publicly traded entities, legal, accounting, and public relations resources. In exchange for its services, the Company accepts equity positions in these promising new businesses in addition to cash compensation in certain cases.

AMNG was incorporated on November 12, 1998 in Nevada as Ti-Mail Inc. During the year 2000 it changed its name to Desert Winds Entertainment, Inc. and then during 2002 to SunnComm, Inc., during 2004 to SunnComm Technologies, Inc. and finally on June 14, 2007 to The Amergence Group Inc. During 2004 SunnComm's revenue was approaching $200,000 per month when a competitor entered the market utilizing technology to protect CDs that worked by unethically hiding secret files on a user's computer. The competitor company, called First4Internet in the UK, utilized what is referred to as a "root kit," to hide their copy protection technology from consumers, and, as a result of their introduction of this controversial "malware" technology, BMG was sued by consumer groups. The competitor's technology (along with the CDs that contained their technology) was recalled. Although MediaMax products were never subject to a recall, the controversy surrounding CD copy protection caused BMG (now Sony-BMG) to discontinue its use until further notice.

On June 14, 2007 the Company changed its name from SunnComm Technologies Inc. to The Amergence Group, Inc. and the Company consolidated its authorized and outstanding common shares at a 1 for 1,000 ratio. After the stock consolidation the Company had authorized 870,000 common shares at a par value of $.001.

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the interim periods. Significant adjustments may be required upon the financial statements being audited to be in conformity with Generally Accepted Accounting Principles.

Principles of Consolidation

The Company's consolidated financial statements include the assets, liabilities and operating results of AMNG and its wholly owned subsidiary since formation of these entities. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the interim periods. The periods have been restated for comparative purposes.

Cash & Cash Equivalents

The company's policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Financial Instruments

Financial instruments consist primarily of cash, security deposits and obligations under accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, security deposits, accounts payable and accrued expenses approximate fair value because of the short-term maturity of those instruments.

Income Taxes

The Company records its federal and statement income tax liability as it is incurred.

NOTE 2: INTELLECTUAL PROPERTY

TranzByte CD and DVD multimedia enhancement software enables extra features like music videos, lyrics, biographies, photo galleries, banner and other online viral advertising, games, internet links and much more. It allows you to copy songs to a computer or portable player with the record labels approval. You can also share songs with family and friends using the MusicMail feature.

CDMX is a multi-media CD enhancement technology is housed entirely on the CD itself and does not require the loading of any software components in order to access the music and bonus content. It also provides an enabling technology that is designed to offer companies an innovative alternative to traditional marketing media. Housed on a digitally-enhanced CD, providing branding, viral marketing, advertising and revenue-generating opportunities.

DVCD provides an environment and interface to include additional digital content on a Video DVD. The most common application might be a movie soundtrack or other audio content included on the same DVD as a movie.

All•Play allows the use of electronic, optical and digital content across multiple applications, and more specifically, allows both content owners and end users to control how and where they can access content. For example, the delivery of music from an online music store to multiple destinations in multiple formats.

Perfect Placement is a product / service offering available through a graphic user interface. It is a centrally-served direct response marketing environment which provides a mechanism for the record labels, artists and movie studios to advertise their back catalogs, merchandise, web sites and take advantage of cross-promotional opportunities. Perfect Placement also allows record labels and Movie studios to generate third-party ad revenue based on targeted advertising and sponsorships available through the user interface.

MusicMail is a software product that allows the owner of a SunnComm enhanced CD or DVD to legally share available music with a friend by providing the recipient with a song that can be downloaded and listened to for a limited number of days, a limited number of plays or with a specific expiration date or no expiration at all.

DVD copy management, content protection and enhancement technology. This legacy technology provides an alternative, authorized process to play, move and share content from Video-based (Movie) DVDs in a legally approved and controlled process. It provides a compromise solution that delivers limited rights and enhanced features to DVD buyers without allowing freedom to steal content from the producer, or studio.

NOTE 3. INVESTMENTS

At May 24, 2010, the company entered into a Joint Venture Production Agreement with Panpacific Business Limited whereby it would receive 50% of the profits in three scheduled concerts with internationally known artists to be performed in Hong Kong for 60 miilion restricted common shares valued at $2,400,000. During the quarter ended June 30, 2010 the company contributed an additional $9,500 in cash to the joint venture.

NOTE 4. DEBENTURES PAYABLE

At June 30, 2010, the company had two debentures payable totaling $594,487 in principal and accrued interest.

On December 15, 2006, the company issued a debenture payable to its president for cash advances and unpaid compensation. The debenture accrues interest at 10% per annum and can convert into the company's common stock at 50% of the lowest closing bid price 90 days before the conversion date. At June 30, 2010, the company owed its president under the debenture $310,157 in principal and $21,612 in accrued interest.

On March 6, 2007, the company issued a debenture payable to David Kahn secured by the assets of the company for cash that he loaned the company. The debenture accrues interest at 10% per annum and can convert into the company's common stock at $.06 per share. At June 30, 2010, the company owed David Kahn $234,723 in principal and $27,995 in accrued interest.

On January 12, 2007, the company issued a debenture payable to a creditor for cash advances and unpaid compensation. The debenture accrued interest at 10% per annum and converted into the company's common stock at 50% of the lowest closing bid price 90 days before the conversion date. During the quarter ended June 30, 2010, the company paid off the $330,000 debenture and accrued interest with 120,663,882 common shares.

NOTE 5: LOANS FROM SHAREHOLDERS

During the quarter ended June 30, 2010, the company paid off $427,424 of loans from shareholders including accrued interest by issuing 112,479,997 common shares. During the same quarter the company's loans from shareholders increased for services rendered by shareholders in the amount of $107,500.

NOTE 6. CONTINGENT LIABILITIES

During 2008 the Internal Revenue service notified the Company of its intent to place a lien on all of its assets until taxes that owed are paid in full.

Mr. David Kahn, former council and shareholder of the Company holds a convertible debenture as described in Note 4 above. Mr. Kahn has sued the company for payment on the debenture. Representatives of the Company are currently in settlement negotiations with Mr. Kahn and, although the negotiations look promising, there are no assurances that these settlement negotiations will be successfully completed and the action dropped.

NOTE 7. STOCKHOLDERS EQUITY

Preferred Stock

At June 30, 2008 the Company had authorized 30,000,000 preferred shares at $.01 and may issue shares of preferred stock in such classes and with such preferences as may be determined by the board of directors or the bylaws of the Company.

At December 31, 2009 6,500,000 preferred shares were outstanding in a Series B preferred issue. The Series B Preferred stock is held by Peter Jacobs who has a controlling voting power in the Company.

Common Stock

On June 14, 2007 the Company consolidated its authorized and outstanding common shares at a 1 for 1,000 ratio. After the stock consolidation the Company had authorized 870,000 common shares at a par value of $.001 and 677,416 common shares outstanding which was also the same at June 30, 2007.

On May 22, 2008, the Company increased is authorized common shares to 125,000,000.

On June 9, 2010, the Company increased is authorized common shares to 750,000,000.

During the first quarter ended September 30, 2008, the company issued 10,000,000 common shares to its president for payment $100,000 of debt owed to him.

On November 6, 2008, the company issued 2,525,000 common shares valued at $25,525 to an individual for payment of accrued interest on an outstanding note payable.

During the last 2008 fiscal quarter the company issued 1,400,000 common shares to David L. Kahn in settlement of numbered paragraphs 110 and 112 of the Second Amended Complaint filed by Mr. Kahn against the Company on February 3, 2009 in the Fresno County Superior Court for the State of California, Case Number 08CECG01827 DSB for Mr. Kahn's 9.9% ownership in the Company's common stock. Also during the last 2008 fiscal quarter the Company issued 3,900,000 common shares in settlement of $71,009 of various outstanding debts including an outstanding debenture payable.

At June 30, 2009 the Company had authorized 125,000,000 common shares at par value $.001 and had 18,502,416 common shares issued and outstanding. Each common share has one vote for each share held.

During the quarter ended September 30, 2009 the Company issued 21,800,000 common shares for debt, thereby reducing its debt by $289,000. A total 11,800,000 shares were issued to three companies and four individuals valued at $189,000 and 10,000,000 common shares were issued to the Company's president for debt valued at $100,000.

During the quarter ended December 31, 2009 the Company issued 5,300,000 common shares for debt, thereby reducing its debt by $53,600. A total of 5,000,000 shares were issued to a company for consulting services rendered valued at $50,000 and 300,000 common shares were issued to two individuals for legal and accounting services valued at $3,600.

During the quarter ended March 31, 2010 the Company issued 10,000,000 common shares for debt, thereby reducing its debt by $100,000 for consulting services and issued 2,000,000 common shares under a debenture for interest expense of $10,000. A total 12,000,000 shares were issued to two companies valued at $110,000 during the quarter ended March 31, 2010.

During the quarter ended June 30, 2010 the Company issued 120,663,882 common shares to retire a $330,000 debenture with accrued interest, 112,479,997 common shares to pay off $427,424 of loans from shareholders including accrued interest, 60,000,000 shares to Panpacific Business Limited as an investment, 350,000 shares to pay off $14,000 of debt and 426,997 shares for $17,080 in consulting services.

At June 30, 2010 the Company had authorized 750,000,000 common shares at par value $.001 and had 351,523,292 common shares issued and outstanding. Each common share has one vote for each share held.