

3rd QUARTER 2013

OTC MARKETS GROUP
HuiYing Group Holding Company
(A Nevada Company)

Quarterly Report
As of September 30, 2013

All information in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of rule 15c-211(a) promulgated under the Securities and Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format set forth in the rule.

No Dealer, salesman or any other person has been authorized to give such information, or to make any representations, not contained herein in connection with the issuer. Such information or representations, if made, must be relied upon as having been authorized by the issuer, and:

Delivery of this information file does not any time imply that the information contained herein is correct as of any time subsequent to the date first written above.

The undersigned hereby certifies that the information is true and correct to the best of their knowledge and belief.

Date: November 15, 2013

HuiYing Group Holding Company
By: /s/ Mr. LIN LI

Name: Lin Li
Position: CEO/PRESIDENT
Phone: 212-924-3548
Email: info@huiyingnet.com

Web-Page: <http://www.huiyingnet.com>

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

HUI YING TECHNOLOGY & MEDIA GROUP HOLDING COMPAN

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: **East Yuetan Road, Economic Development Zone, Gaomi City, Shandong Province, China**

Address 2: _____

Address 3: _____

Phone: **86-536-2572777**

Email: roravec@mac.com

Website(s): www.huiyingnet.com

IR Contact

Address 1: _____

Address 2: _____

Address 3: _____

Phone: _____

Email: _____

Website(s): _____

3) Security Information

Trading Symbol: HUIY

Exact title and class of securities outstanding: Class A Common Stock, 10,000,000 Shares outstanding

CUSIP: 444722 102

Par or Stated Value: .001

Total shares authorized: 500,000,000

as of: November 12, 2013

Total shares outstanding: 10,000,000

as of: November 12, 2013

Additional class of securities (if necessary):

Trading Symbol: _____

Exact title and class of securities outstanding: _____

CUSIP: _____

Par or Stated Value: _____

Total shares authorized: _____

as of: _____

Total shares outstanding: _____

as of: _____

Transfer Agent

Name: Fidelity Transfer Services, Inc.

Address 1: 5073 Central Avenue, #907

Address 2: Bonita, CA 91902

Address 3: _____

Phone: 805-708-6683

Is the Transfer Agent registered under the Exchange Act?*

Yes: ☒X

No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

NONE

Describe any trading suspension orders issued by the SEC in the past 12 months.

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

NONE

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

Not Applicable

B. Any jurisdictions where the offering was registered or qualified;

Not Applicable

C. The number of shares offered;

Not Applicable

D. The number of shares sold;

Not Applicable

E. The price at which the shares were offered, and the amount actually paid to the issuer;

Not Applicable

F. The trading status of the shares; and

Not Applicable

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Not Applicable

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

Please See ATTACHED

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

HUI YING TECHNOLOGY & MEDIA GROUP HOLDING COMPANY (Hui Ying Group Holding) was incorporated in the State of Nevada, USA on January 25, 2010, for the purpose of becoming the holding company of SHANDONG HUI YING SCIENCE AND TECHNOLOGY MEDIA CO., LTD ("Hui Ying Science" or buyer). A Share Exchange Agreement was closed as of the January 25, 2010, between Hui Ying Group Holding and Hui Ying Science. The sole purpose of the transaction contemplated under the Agreement is the establishment of a U.S. Holding Company, i.e., Hui Ying Group Holding, by a Chinese operating entity, i.e., Hui Ying Science.

At the Closing, the shareholders of Hui Ying Science received from the Hui Ying Group Holding 10,000,000 Shares of Common Stock of the Hui Ying Group Holding in exchange for the transfer of 5,000,000 shares of the Common Stock of Hui Ying Science on a two shares for one share basis.

Hui Ying Science was a company organized in China in 2008, and is Hui Ying Group Holding's wholly-owned subsidiary at present. HUI YING SCIENCE is engaged in business of developing, producing and selling high definition digital movie projectors.

Company Products

Products of the company are high definition digital movie projectors. At present, the major products are HY300 series digital movie projector. The projector also has the function of inter cutting advertisement in the video presentation.

- B. Date and State (or Jurisdiction) of Incorporation:

January 25, 2010, NEVADA

- C. the issuer's primary and secondary SIC Codes;

3663, 3669

- D. the issuer's fiscal year end date;

Dec 31

E. principal products or services, and their markets;

Products of the company are high definition digital movie projectors. At present, the major products are HY300 series digital movie projector. The projector also has the function of inter cutting advertisement in the video presentation.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

DESCRIPTION OF PROPERTY

Our office address East Yuetan Road, Economic Development Zone, Gaomi City, Shandong Province, China

We own the following properties in China:

- Land use rights to possess and use a piece of land with an approximately combined area of 12,657.6 square meters including that of 12,856 square meter building on as office located at East Yuetan Road, Economic Development Zone, Gaomi City, Shandong Province, China
- In addition there is another land use right with an approximately combined area of 10,428 square meters as for warehouse production line.
- Ten buildings consisting of manufacturing plants, office, warehouse and staff facilities, of which include drive workshop, test workshop, inventory warehouse.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

NAME	POSITION	SHARES OWNED	PERCENTAGE
Lin Li	Chairman of Board,	6,936,000	69.36%

	General Manager		
Gaomi Film Distribution and Showing Company	None	1,580,000	15.80%
Dunxiao Mu	Administrative General Manager	40,000	4.00%
Jiucheng Liang	Board Secretary	6,000	0.06%
Yongmei Ge	Chief Financial Officer	2,000	0.02%
Wengang Sun	An Independent Director	None	None
Jian Sun	An Independent Director	None	None
Jun Fu	An Independent Director	None	None

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; or

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. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

NAME	POSITION & ADDRESS	SHARES OWNED	PERCENTAGE
Lin Li	Chairman of Board, General Manager Xiguan Resident Committee, Gaomi Town, Gaomi City, Shandong Province, China	6,936,000	69.36%
Gaomi Film Distribution and Showing Company	No.23, Yuhuangge Front Street, Gaomi City, Shandong Province, China	1,580,000	15.80%

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Matthew McMurdo, Esq.
Attorney-At-Law
28 West 44th Street
16th Floor
New York, New York 10036
(w) 917-318-2865
(f) 866-606-8914
Email: matt@nannaronelaw.com

Accountant or Auditor

Name: Tony Tsao
Firm: Pasco Financial Group, Inc.
Address: 2601-2606, Building C, Golden Tower
No. 82, Middle of East 4th Ring Road
Chao Yang District
Beijing, China 100124
Phone: 86-10-87510887 86-10-87510897
Fax: 86-10-87510987
E-mail: pasco@pasco-vip.com

Investor Relations Consultant

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: _____

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Lin Li certify that:

1. I have reviewed this 3rd Quarter Financial Statement of HUI YING TECHNOLOGY & MEDIA GROUP HOLDING COMPANY

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.

October 18, 2013 [Date]

/s/ Lin Li CEO and President

HUIYING TECHNOLOGY & MEDIA GROUP HOLDING COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

For the 3 Months ended Sept. 30, 2013 and 2012

(IN US \$ AND US\$/CNY=6.3000/ 6.39732 ON Sept. 30 2013 AND 2012)

	3 Months Ended Sept. 30	
	2013	2012
OPERATING REVENUES		
Revenues	\$60,659	\$63,750
OPERATING EXPENSES		
Cost	43,046	32,459
General and administrative expenses	61,375	8,916
Operating expenses	8,619	215
Depreciation, amortization and impairment	4,434	2,019
Sales tax	8,616	865
Total Operating Expenses	\$ 126,090	\$44,474
PROFIT(LOSS) BEFORE OTHER INCOME (EXPENSE)	<u>\$(233,384)</u>	<u>\$19,276</u>
OTHER INCOME (EXPENSE)		
Loss on fair value of warrants	-	-
Other operating income, net	17,241	-
Other income(expense)	52,329	-
Prior year income adjustment		
Interest expense, net	(12,630)	(8,583)
Total Other Income (Expense)	\$ 56,940	\$(8,583)
NET PROFIT (LOSS) BEFORE PROVISION FOR INCOME TAXES	(290,324)	10,693
Provision for Income Taxes	\$(59,662)	\$(125)
NET PROFIT (LOSS) APPLICABLE TO COMMON SHARES	<u>(230,662)</u>	<u>\$10,568</u>
NET PROFIT (LOSS) PER BASIC AND DILUTED SHARES	<u>\$0.000</u>	<u>\$0.001</u>
WEIGHTED AVERAGE NUMBER OF COMMON	10,000,000	10,000,000

SHARES OUTSTANDING

HUIYING TECHNOLOGY & MEDIA GROUP HOLDING COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

For the 3 Months ended Sept. 30, 2013 and 2012

(IN US \$ AND US\$/CNY=6.3000/ 6.39732 ON Sept. 30 2013 AND 2012)

ASSETS

	9/30/13	9/30/12
Current Assets:		
Cash and cash equivalents	\$179,941	\$14,458
Accounts receivable, net	813,387	95,258
Investment tax credit receivable	350,489	-
Inventory	397,897	90,502
Prepaid expenses and other current assets	1,300,900	31,935
Total Current Assets	<u>\$3,042,614</u>	<u>\$2,321,151</u>
Fixed assets, net of depreciation	<u>357,141</u>	<u>23,270</u>
Construction in progress	1,392,323	242,760
Project goods and material	-	-
Long term investment		
Other Intangibles – net	1,294,977	840,393
long-term deferred and prepaid expenses	-	
TOTAL ASSETS	<u>\$6,087,055</u>	<u>\$2,541,707</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

LIABILITIES

Current Liabilities:

Bank overdraft	\$2,489,404	\$1,329,574
Advance from customers	998,668	-
Accrued and other current liabilities	1,811,957	425,452
Taxes payable	8,616	10,798

Accounts payable	768,410	-
Total Current Liabilities	<u>\$6,077,055</u>	<u>1,740,419</u>

Long-term Liabilities:

Total Liabilities	<u>\$6,077,055</u>	<u>\$1,740,419</u>
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STOCKHOLDERS' EQUITY

Preferred stock, \$.001 Par Value; 10,000,000 shares authorized and 0 shares issued and outstanding		-
Common stock, \$.001 Par Value; 100,000,000 shares authorized and 10,000,000 shares issued and outstanding	10,000	10,000
Additional paid-in capital	-	
Capital surplus	1,032,603	721,322
Reserve Fund		
Comprehensive income (loss)	(430)	468
Retained earnings	<u>(51,603)</u>	<u>44,093</u>

Total Stockholders' Equity (Deficit)	<u>\$990,570</u>	<u>\$775,883</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$6,087,055</u>	<u>\$2,541,707</u>
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HUIYING TECHNOLOGY CONSOLIDATED STATEMENTS FOR THE 3

	Preferred Stock		Common Stock	
	Shares	Amount	Shares	Amount
Balance Dec 31, 2007	-	\$-		
Shares issued for acquisition	-	-	6,000,000	
Shares issued for cash	-	-		
Shares issued for services	-	-		
Contributed capital	-	-		

Effect of foreign currency translation

Net loss/income for the year	-	-	-
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Balance Dec 31, 2008			6,000,000
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Contributed capital	-	-	4,000,000
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Shares issued for liability (services recorded in 2009)	-	-	
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Effect of foreign currency translation

Net loss/income for the year ended Dec. 31, 2009	-	-	-
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Balance Dec. 31, 2009	-	\$-	10,000,000	-
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Contributed capital

Shares issued for liability (services recorded in 2009)

Effect of foreign currency translation

Net profit for the year ended Dec. 31, 2010				
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Balance Dec. 31, 2010	-	\$-	10,000,000	-
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Contributed capital

Shares issued for liability

Effect of foreign currency translation

Net profit for the year ended Dec. 31, 2011				
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Balance Dec 31, 2011	-	\$-	10,000,000	-
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Contributed capital

Shares issued for liability

Effect of foreign currency translation

Net profit for the year ended Jan. 31,
2012

Balance Dec 31, 2012	-	\$-	10,000,000	-
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Contributed capital

Shares issued for liability

Effect of foreign currency translation

Balance Sept. 30, 2013	-	\$-	10,000,000	-
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**Hui Ying Technology & Media Group
Holding Company
CONSOLIDATED STATEMENT OF CASH
FLOWS**

	3 Months Ended	
	Sept. 30	
	2013	2012
Operating Activities:	Unaudited	Unaudited
Net Income	60,659	\$ 200,485
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	4,434	397
Inventory	53,074	2,214
Account receivable	22,439	-
Unearned revenue	-	-
Other Payable	195	-
Increase in income tax payable	0	-
Increase in account payable	(2,654)	-
Net cash provided by operating activities	\$(77,488)	\$197,874
Investing Activities:		
Construction in Progress	866	10,851
Net cash provided by investing activities	866	10,851
Financing Activities:		
Proceeds from issuance of common stock	-	
Proceeds from loan from shareholders		
Advance from Customers		
Loans from Bank	5,984	584,966
Net cash provided by financing activities	5,984	584,966
Effect of Exchange Rate on Cash	-	3,802
Net increase (decrease) in cash and cash equivalents	\$(16,829)	\$581,164
Cash and cash equivalents at beginning of the period	\$22,305	\$57,832
Cash and cash equivalents at end of the period	\$27,283	\$87,663

1 ORGANIZATION AND DESCRIPTION OF BUSINESS

HUIYING TECHNOLOGY & MEDIA GROUP HOLDING COMPANY (“HUIYING GROUP HOLDING”) was incorporated in the State of Nevada USA on Jan. 25,

2010, for the purpose of becoming the holding company of SHANDONG HUIYING SCIENCE AND TECHNOLOGY MEDIA CO., LTD (“HUIYING SCIENCE”). A Share Exchange Agreement was closed as of the day 25th of Jan, 2010, between HUIYING GROUP HOLDING and HUIYING SCIENCE. The sole purpose of the transaction contemplated under the Agreement is the establishment of a U.S. Holding Company, i.e., HUIYING GROUP HOLDING, by a Chinese operating entity, i.e., HUIYING SCIENCE. Subject to all the terms and conditions of the Agreement, at the Closing, HUIYING GROUP HOLDING issued to the shareholders of HUIYING SCIENCE 10,000,000 Shares of Common Stock of the HUIYING GROUP HOLDING in exchange for the transfer of 5,000,000 shares of the Common Stock of the HUIYING SCIENCE to Hui Ying Group Holding on a two shares for one share basis.

SHANDONG HUIYING SCIENCE AND TECHNOLOGY MEDIA CO., LTD, which was founded on Oct. 9th, 2008, is located in Gaomi Economic Development Areas, Shandong Province. The artificial person is Li Lin, the registered capital is 5,000,000 RMB, and the set up type is initiated estimation. The business scope is electronic production, computer software research and development, production, sale and relevant technology service as well as movie, television equipment and accessories sale, R&D, technology service, engineering assembling, assessment maintenance, net engineering, computer development and service; export and import, advertisement designing and making, agency, publication, investment of film and television base, film equipment renting; high definition film technology development, real estate exploitation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with General Accepted Accounting Standards (“GAAP”). HUIYING GROUP HOLDING’s functional currency is the Chinese Renminbi(CNY); however, the accompanying consolidated financial statements have been translated and presented in United States Dollars(USD)

2.2 Foreign Currency Translation and Transactions

HUIYING GROUP HOLDING’s functional currency is that of the PRC which is the Chinese Renminbi (CNY). The reporting currency is that of the US Dollar. Capital accounts of the consolidated financial statements are translated into United States dollars from RMB at their historical exchange rates when the capital transactions occurred. Assets and liabilities are translated at the exchange rates as of the balance sheet date. Income and expenditures are translated at the average exchange rate of the period. The exchange rate of RMB to US dollar as of Sept. 30, 2013 and 2012 were 6.3.00 and 6.39732 respectively. The RMB is not freely convertible into foreign currency and all foreign currency exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US

dollar at the rates used in translation. HUIYING GROUP Holding's records these translation adjustments as accumulated other comprehensive income (loss). Gains and losses from foreign currency transactions are included in other income (expense) in the results of operations.

2.3 Use of Estimates

The preparation of financial statements in accordance with Enterprise Accounting Standards requires the Company's management to make estimates and assumptions that affect 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

2.4 Principles of Consolidation

The consolidated financial statements include the accounts of HUIYING TECHNOLOGY & MEDIA GROUP HOLDING COMPANY and its wholly owned subsidiary SHANDONG HUIYING SCIENCE AND TECHNOLOGY MEDIA CO., LTD, collectively referred to within as the Company. All material inter-company accounts, transactions and profits have been eliminated.

2.5 Property, Plant, Equipment and Depreciation

Property, plant and equipment, are initially recorded at cost less accumulated depreciation, depletion and amortization. Depreciation is computed using the straight-line method to allocate the cost of depreciable assets over the estimated useful lives of the assets as follows:

Items	Estimated Useful Life (in years)	residual value rate
Equipment	5	5%
Automobile	10	5%

2.6 Intangible assets

The Company's intangible assets are stated at cost less accumulated amortization and are comprised of land-use rights. The area of No.1 land-use right is 12657.6, which is located in Guan Yin tang South Avenue, North of Yue tan Road. Both of the two land-use rights have submitted farmland use tax and contract tax. The No.1 land-use right certificate has been obtained, while the No.2 is in the process of transaction.

2.7 Inventory

Inventory includes projector pole, projector cross screen, loudspeaker box, digital projector, hard disks, hard disk box. The value of final inventory is calculated by comparing the costs and its net realizable value. The inventory depreciation is calculated according to the difference of the costs and the net fair value, which is then carried to the current profit and loss. Inventories include finished goods, raw

materials. Provisions are made for slow moving, obsolete and/or damaged inventory.

2.8 Provision for Bad Debts

At the end of the year, a complete analysis and estimation on the possibility of irretrievability of accounts receivable is carried out to predict the possibility of losses due to bad debts. Withdrawal of Bad debt reserves is calculated by means of individual identification and the amount of loss is calculated using allowance methods according to the proportion of account receivable, other receivable, prepaid, and bad debts can be recognized when a receivable that cannot be satisfied by the property or the patrimony of the debtor who is bankrupted or died; or the payment from the debtor is overdue and the receivable is apparently unredeemable.

2.9 Competition

The company belongs to electronic manufacture. The advantages of it is the film projection equipment which is high definition portable and advanced technology in China and is suitable to the hospital, military and country, which has huge potential demand.

2.10 Revenue Recognition

Revenue recognition - Revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) the product has been shipped and the customer takes ownership and assumes the risk of loss; (3) the selling price is fixed or determinable; and (4) collection of the resulting receivable is reasonably assured. The Company believes that all of these criteria are satisfied upon shipment from its product.

2.11 Concentration and Risks

a. Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, notes receivable and accounts receivable. The Company places its cash, cash equivalents with financial institutions that management believes are of high-credit ratings and quality.

The company has many advances from customers, so the credit risk of account receivable is quite small. And the company will continue to evaluate its collection experience and will provide for an allowance for doubtful accounts as appropriate.

b. Foreign Currency Risk

A majority of the Company's sales and expenses transactions and a significant portion of the Company's assets and liabilities are denominated in RMB. RMB is not freely convertible into foreign currencies. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China ("PBOC"). Remittances in currencies other than RMB by the Company in China must be processed through the PBOC or other China foreign exchange regulatory bodies, which require certain supporting documentation in order to affect the remittance.

2.12 Main Taxes of the Company

a) Income Taxes

The tax rate is 25% according to the PRC's new Corporate Income Tax Law which will take effect from January 1, 2008. The higher of the net profit multiplied 25% and 1.25% of revenue will be chosen as income tax according to the regulation of local tax administration.

Value added tax

HUIYING SCIENCE is a small scale taxpayer, whose tax rate is 3%. The tax rate of 3% has taken effect since Jan 1st, 2009.

c) Urban maintenance and construction tax and surcharge for education

HUIYING SCIENCE's urban maintenance and construction tax rate is 7% of the value added tax, 3% and 1% of that for the surcharge for education and local surcharge for education.

3 Explanations to main items of the financial report

The following calculating unit is US dollars unless specified.

3.1 Cash and Cash equivalent

<u>Items</u>	<u>9/30/13</u>	<u>9/30/12</u>	<u>Flux</u>
	A	B	A-B
Cash on hand	22,305	8,786	13,5
Cash in bank	157,636	5,672	151,9
Total	\$179,941	\$14,458	\$165,4

3.2 Account receivable

<u>Items</u>	<u>Bal.@9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B

Accounts Receivable	813,387	95,258	718,1
Less: Allowance for Bad Debt	-	-	
Net Account Receivable	813,387	95,258	718,1
Adjustments	-		
Audited	813,387	95,258	718,1
Advance receivable reclassify	4,248	-	4,2
Total	\$ 817,635	\$95,258	\$722,3

3.3 Other receivables

<u>Items</u>	<u>Bal.@ 9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B
Tax Credit Receivable	\$350,489	-	350,4
Adjustments	-		
Audited	350,489	-	350,4
reclassification	-		
total of audit adjustment	-	-	
Less: provision for bad debt	-		
Sub total	-	-	
Net Other Receivable	\$350,489	-	\$350,4

3.4 Advanced to suppliers

	<u>Bal.@9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B
Advanced to suppliers			-
Adjustments	-		
Audited	-	-	
reclassification	-		
Audit adjustment total	-	-	

3.5 Inventory

<u>Items</u>	<u>Bal.@9/30/13</u>	<u>Bal.@9/30/12</u>	<u>Flux</u>
	A	B	A-B
Materials	394,897	90,502	304,3
Low value consumables			
wrapping machine		-	
Sofa and table	5,000	-	5,0
Overhead tank		-	
Digital camera		-	
Merchandise inventory			

total	\$397,897	\$90,502	\$309,3
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3.6 Prepaid expenses

<u>Items</u>	<u>Bal.@9/30/13</u>	<u>Bal.@9/30/12</u>	<u>Flux</u>
	A	B	A-B
Fee for technical service	-		
Total	-		

<u>Original Cost</u>	<u>Bal.@9/30/13</u>	<u>Bal.@9/30/12</u>
edit card	58,063	23,270
idi Car	187,989	-
M Server	10,000	-
m Projector	101,089	-
Fixed assets-net	357,141	23

3.7 Fixed Assets

<u>Construction in progress</u>	<u>Bal.@09/30/12</u>	<u>Bal.@9/30/12</u>
orkshop	-	
tributor	17,061	89,989
ctures	154,931	
all	-	
utfall sewer	-	
ate	5,300	
nstruction contract	660,828	95,771
rce accounting	177,350	
ectronic bill	-	
p-water pipe	1,376	
nstruction wire	267,259	
ating facilitates	98,919	
penses on making up mplete set	6,574	25,000
apping fees	1,739	32,000
ertain	431	
illing fee	1,465	
Sub total	\$1,393,233	242

3.8 Construction in progress

3.9 Project materials

<u>Project materials</u>	<u>Bal.@9/30/13</u>	<u>Bal.@9/30/12</u>
Cement	-	

Steel and cement	-	
Construction wire	-	
Sub total	-	

3.10 Intangible assets

<u>Original Cost</u>	<u>Bal.@9/30/12</u>	<u>Bal.@9/30/12</u>
	-	-
Land use right-1	584,224	-
Land use right-2	262,869	-
Sub total	847,092	-
<u>Amortization</u>		
	-	-
Land use right-1	5,823	-
Land use right-2	876	-
Sub total	6,699	-
<u>Intangible assets-net</u>	\$ 840,393	-

3.11 Account Payable

<u>Items</u>	<u>Bal.@9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B
Accounts Payable	(788,137)		(788,137)
Adjustments	-		-
Audited	(788,137)	-	(788,137)
Advanced to suppliers reclassification	19,804		19,804
Audit adjustment total	\$768,410	-	\$768,410

3.12 Other payable

<u>Items</u>	<u>Bal.@9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B
other payable	244,617		244,617
Adjustments	-		-
Audited	244,617	-	244,617
reclassification	63,408		63,408
Audit adjustment total	\$308,025	-	\$308,025

3.13 Advance from customers

<u>Items</u>	<u>Bal.@9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B
Advance from suppliers	998,668		998,668
Adjustments			-
Audited	998,668	-	998,668

reclassification	-		
total audit adjustment	998,668	-	998,6

3.14 Short-term loan

<u>Items</u>	<u>Bal.@ 9/30/13</u>	<u>Bal.@ 9/30/12</u>	<u>Flux</u>
	A	B	A-B
short term loan	2,489,404	1,329,574	1,159,8
Adjustments			
Audited	2,489,404	1,329,574	1,159,8
reclassification			
Audit adjustment total	2,489,404	1,329,574	1,159,8

3.15 Accrual expenses

<u>Items</u>	<u>Bal.@09/30/13</u>	<u>Bal.@09/30/12</u>	<u>Flux</u>
	A	B	A-B
Accrual expenses	987,897	400,047	587,8
Adjustments	824,060	25,405	798,6
Audited	1,811,957	425,452	1,386,5
reclassification			
total audit adjustment	1,811,957	425,452	1,386,5

3.16 Salary payable

<u>Items</u>	<u>Bal.@09/30/13</u>	<u>Bal.@09/30/12</u>
Salary Payable	6,562	6,4
Sub total	\$6,562	\$6,4

3.17 Tax Payable

<u>Items</u>	<u>Bal.@09/30/13</u>	<u>Bal.@09/30/12</u>
value added tax	5,616	4,6
enterprise income tax	1,250	
tax on city maintenance and construction	1,750	6,1
Sub total	\$8,616	\$10,798

3.18 Unpaid others

<u>Items</u>	<u>Bal.@09/30/13</u>	<u>Bal.@09/30/12</u>
education surcharge	230	1
local education surcharge	77	
Sub total	\$307	\$180

3.19 Paid-in Capital

There are 65 shareholders as of September 30, 2013 and 62 as of September 2012 respectively. For the detail of shares owned, consideration and acquiring date, please see Appendix 1: Shareholder list.

3.20 Capital surplus

<u>Items</u>	<u>Bal.@09/30/13</u>	<u>Bal.@09/30/12</u>
Capital surplus	1,032,603	721,322
Sub total	\$1,032,603	\$721,322

3.21 Prime Operating Revenue and Cost

<u>Sales</u>	<u>9/30/13</u>	<u>9/30/12</u>	<u>Flux</u>
	A	B	A-B
sales of movie projector and the necessary accessories	60,659	63,750	(3,091)
Total	60,659	63,750	(3,091)
Cost	-		
cost of products	43,046	32,459	10,587
Total	\$17,613	\$31,291	\$7,496

3.22 Sales & Cost & Tax and associate charge

<u>Items</u>	<u>9/30/13</u>	<u>9/30/12</u>	<u>Flux</u>
	A	B	A-B
sales	60,659	63,750	(3,091)
cost	43,046	32,459	10,587
tax and associate charge	8,616	865	7,751
Gross Profit	\$8,997	\$30,426	(21,429)

3.23 Tax and associate charge

<u>Tax Type</u>	<u>9/30/13</u>	<u>9/30/12</u>	<u>Flux</u>
	A	B	A-B
tax on maintenance and construction	536	534	2
surtax for education	230	229	1
local surtax for education	77	76	1
Sub total	843	839	4

3.24 General and Administrative Fees

<u>Items</u>	<u>9/30/13</u>	<u>9/30/12</u>	<u>Flux</u>
	A	B	A-B
Consulting fees	48,149	-	48,149
gasoline fees	316		(316)
Travelling expense	1,318	916	402
entertainment expense	2,764	2,014	750
utilities	460		460
freight	76		76
administrative expenses	1,164	1,500	(336)
correspondence	0	-	0
salaries and wages	2,197	2000	197
insurance	1,178	1,343	(165)
Taxation expense	-	-	0
postage	168		168
Cost of repair and maintenance	40	-	40
welfare expenses	198	-	198
others	51		61
depreciation expense	812		812
Amortization of low value consumable	-		
Amortization of deferred expenses	976	-	976
Amortization of intangible assets	1,409	1,143	1,134
Retirement and medical insurance	99	-	99
Sub total	\$61,375	\$8,916	\$24,891

3.25 Selling expenses

<u>Items</u>	<u>9/30/13</u>	<u>9/30/12</u>	<u>Flux</u>
	A	B	A-B
advertising expense	3,518	215	3,303
freight expense	5,101	-	-
Sub total	\$8,619	\$ 215	\$8,404

3.26 Financial expenses

<u>Items</u>	<u>9/30/13</u>	<u>Audited</u>	<u>Flux</u>
	A	B	A-B
Interest expense	9,195	3,802	5,3
Interest income	-	-	
Bank Charges	3,435	4,781	1,3
Sub total	\$12,630	\$8,583	\$ 4,0

5. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on November 15, 2013.

**HUIYING TECHNOLOGY & MEDIA GROUP HOLDING
COMPANY
November 15, 2013**