

Hi-Great Group Holding Company

CONSOLIDATED BALANCE SHEET

As of Dec, 31 2009 AND 2010

(EXPRESSED IN US\$ AND US\$/CNY=6.8281/6.6908 ON DEC. 31 2009
AND 2010)

ASSETS

	12/31/09	12/31/10
Current Assets:		
Cash and cash equivalents	\$19,739	\$109,465
Accounts receivable, net	\$329,292	\$551,377
Investment tax credit receivable		
Inventory	\$471,258	\$590,063
Prepaid expenses and other current assets	\$645,641	\$277,175
 Total Current Assets	 <u>1,465,930</u>	 <u>1,528,080</u>
 Fixed assets, net of depreciation	 <u>925,449</u>	 <u>964,168</u>
Long-term deferred and prepaid expenses		
Project goods and material		
Intangible assets,net		
 TOTAL ASSETS	 <u>\$2,391,379</u>	 <u>\$2,492,248</u>

LIABILITIES AND STOCKHOLDERS' (DEFICIT)

LIABILITIES

Current Liabilities:

Bank overdraft		
Accounts payable	\$233,835	\$408,953
Advance from customers		
Accrued and other current liabilities	\$2,027,052	\$2,169,327
Taxes payable	\$(18,643)	\$22,613
Accounts payable and accrued expenses		
 Total Current Liabilities	 <u>2,242,244</u>	 <u>2,600,893</u>

Long-term Liabilities:	395,366	161,392
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Total Liabilities	<u>2,637,610</u>	<u>2,762,285</u>
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STOCKHOLDERS' (DEFICIT)

Common stock, \$.001 Par Value; 100,000,000 shares authorized and 18,000,000 shares issued and outstanding	18,000	18,000
Additional paid-in capital	482,074	482,074
Comprehensive income (loss)	(804,684)	(822,997)
Deficits accumulated due to strategic adjustment	58,379	52,886

Total Stockholders' (Deficit)	<u>(246,231)</u>	<u>(270,037)</u>
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**TOTAL LIABILITIES AND
STOCKHOLDERS' (DEFICIT)**

	<u>\$2,391,379</u>	<u>\$2,492,248</u>
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CONSOLIDATED STATEMENTS OF OPERATIONS
As of Dec 31, 2009 AND 2010

	THE MONTH ENDED	
	31-Dec	
	2009	2010
OPERATING REVENUES		
Revenues	<u>\$102,352</u>	<u>\$1,003,916</u>
OPERATING EXPENSES		
Cost	75,610	841,690
General and administrative expenses	\$83,087	\$155,602
Operating expenses	683	
Sales tax		
Total Operating Expenses	<u>159,379</u>	<u>997,292</u>
Plus: Other operating income, net	75	12,400
LOSS/INCOME BEFORE OTHER INCOME (EXPENSE)	(56,952) -	19,024
OTHER INCOME (EXPENSE)		
Non-operating expense	88	14,443
Interest expense, net	(165)	162
Prior year income adjustment		
Total Other Income (Expense)	<u>77 -</u>	<u>(14,605)</u>
NET LOSS/INCOME BEFORE PROVISION FOR INCOME TAXES	(56,875)	4,419
Provision for Income Taxes	<u>-</u>	<u>-</u>
NET LOSS/INCOME APPLICABLE TO COMMON SHARES	<u><u>\$(56,875)</u></u>	<u><u>\$4,419</u></u>
NET LOSS/INCOME PER BASIC AND DILUTED SHARES	<u><u>\$(0.00316)</u></u>	<u><u>\$0.00025</u></u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		

18,000,000

18,000,000

**Consolidated Statements of Changes in Stockholder's Equity for the Month
Ended December 31, 2010**

	Preferred Stock		Common Stock		Additional	Deficits	
	Shares	Amount	Shares	Amount	Paid-in Capital	Accumulated Due to strategic adjustment	
Balance Dec 31, 2007	-	\$-	18,000,000	\$18,000	\$482,074	-	
Shares issued for acquisition	-	-				-	
Shares issued for cash	-	-				-	
Shares issued for services	-	-				-	
Contributed capital	-	-	-			-	
Effect of foreign currency translation							
Net loss/income for the year	-	-	-	-	-	-	
Balance Dec 31, 2008			18,000,000	-	18,000	482,074	58,556
Contributed capital	-	-				-	
Shares issued for liability (services recorded in 2009)	-		-		-		

Effect of foreign currency translation

Net loss/income for the
year ended Dec. 31,
2009

	-	-	-	-	-	
Balance Dec. 31, 2009	-	\$- 18,000,000	-	18,000	482,074	58,346

Contributed
capital

Shares issued
for liability

Effect of foreign currency translation

Net loss/income for the
month ended Dec 31,
2010

Balance Oct.31.2010		18,000,000		18,000	482,074	52,886
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NOTES

Note 1- Organization and Description of Business

Hi-Great Group Holding Company ("Hi-Great Group") was incorporated in the State of Nevada, USA on September 21, 2010 for the purpose of becoming the holding company of Hi-Great Electronic (Shanghai) Co., Ltd ("Hi-Great Electronic"). A Share Exchange Agreement was closed as of September 21, 2010, between Hi-Great Group and Hi-Great Electronic. The sole purpose of the transaction under the Agreement was the establishment of a U.S. Holding Company, i.e., Hi-Great Group by a Chinese operating entity, i.e., Hi-Great Electronic.

At the Closing, the shareholders of Hi-Great Electronic received from the Hi-Great Group 18,000,000 Shares of Common Stock of the Hi-Great Group in exchange for the transfer of 18,000,000 shares of the Common Stock of Hi-Great Electronic on a one share for one share basis.

Hi-Great Electronic was a company organized in China in 2000, and is Hi-Great Group's wholly-owned subsidiary at present. The principal activities of the Group are production and processing of SIM Card Bodies which hold SIM cards inside mobile phones and gears used in light drums of photocopiers and printers. Legal

representative is Shuchun Yu, Company address is No.3689, Beiqing Road, Huaxin Town, Qingpu District, Shanghai, China. The paid-in capital is 500,000 US dollar.

Note 2-The Basis Used for the Preparation of Financial Statements

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Company's functional currency is the Chinese Yuan (CNY); however the accompanying financial statements have been translated and presented in United States Dollars (USD).

In the opinion of management, all adjustments (which include normal recurring adjustments) necessary to present a fair statement of the financial position as of Oct. 31, 2009 and 2010, and the results of operations and cash flows for the Oct. 31, 2009 and 2010 have been made.

Note 3- Summary of Significant Accounting Policies

Policy of preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis, accrual basis and in accordance with conformity with accounting principles generally accepted in the United States of America ("US GAAP").

Currency Translation

As of Oct.31, 2010, the accounts of Hi-Great Electronic were maintained, and its financial statements were presented in Chinese Yuan (CNY). Such financial statements were translated into U.S. Dollars (USD) in accordance with Statement of Financial Accounts Standards ("SFAS") No. 52,"Foreign Currency Translation," with the CNY as the functional currency in China. According to the Statements, all assets and liabilities were translated at the current exchange rate, stockholder's equity are translated at the historical rates and income statement items are translated at the average exchange rate for the period.

The weighted-average exchange rates applied to the consolidated statements of income and expenditures for the year ended on Oct.31, 2009 and 2010 were translated one CNY at 6.8275 and 6.7883 to \$1.00 respectively; asset and liability accounts as Oct.31, 2009 and 2010 were translated at CNY 6.8281 and RMB 6.6908 to \$1.00.The CNY 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 CNY amounts could have been, or could be, converted into US dollar at the rates used in translation. Translation gains and losses are classified as an item of other comprehensive income in the stockholders' equity section of the consolidated balance sheet.

Use of Estimates

The preparation of financial statements in conformity with US GAAP 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 reporting period. Actual results could differ from those estimates. Actual results could differ from those estimates.

Accounts Receivable

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves.

Concentration and Risks

a) Credit Risk

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

The Company primarily collects revenues for advertising services up front and has not experienced significant losses from uncollectible accounts. 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 CNY. CNY 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.

Basis of consolidation: The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended OCT 31, 2010 and 2009. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Reclassification

Certain prior period amounts were reclassified to conform to the current presentation.

Note 4: Explanations to main items of the financial report

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in bank.

Items	10/31/10	10/31/09	Flux
	A	B	A-B
Cash on hand	2,352	3,816	(1,464)
Cash in bank	107,113	15,922	91,191
Total	109,465	19,739	89,726

As of Dec. 31, 2009, Hi-Great Group has six bank accounts; it includes basic account 2 Social Security account, Shanghai Municipality on The Comprehensive Insurance for Out-of-town Employees account, USD account, and one bank account has been closed.

Property, Equipment and Depreciation

Property 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
mechanical equipment	10	10%
office supplies	5	10%
automobile	5	10%
houses	20	10%

Provision for Bad Debts

At the end of the year, a complete analysis and estimation on the possibility of irretrievability of accounts receivable to be 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. 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.

Accounts receivable

Item	10/31/10	10/31/09	Flux
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Accounts Receivable	551,161	329,292	221,86
Bad Debt	0	0	
net accounts receivable	551,161	329,292	221,86
Adjustments/reclassification	217	0	21
Audited	551,377	329,292	222,08
Less: Allowance for Bad Debt	0	0	
Net Accounts Receivable	551,377	329,292	222,08

Other receivable

Item	10/31/10	10/31/09	Flux
Other Receivable	101,667	471,637	(369,970)
Adjustments/reclassification	956	592	36
Audited	102,623	472,230	(369,607)
Less: provision for bad debt	0	0	
Other Receivable, net	102,623	472,230	(369,607)

Advanced to suppliers

Item	10/31/10	10/31/09	Flux
Advanced to suppliers	61,786	83,588	(21,802)
Adjustments	0	0	
Audited	61,786	83,588	(21,802)
reclassification	1,791	23,872	(22,081)
Audit adjustment total	63,576	107,460	(43,884)

Deferred and prepaid expenses

Item	10/31/10	10/31/09	Flux
deferred and prepaid expenses	110,975	65,951	45,024
Adjustments	0	0	
Audited	110,975	65,951	45,024
reclassification	0	0	
Audit adjustment total	110,975	65,951	45,024

Fixed assets

Original Cost	10/31/10	10/31/09	Flux
mechanical equipment	1,107,367	981,984	125,383
office supplies	13,711	9,430	4,281

automobile	29,149	15,554	13,59
houses	76,666	75,125	1,54
sub total	1,226,893	1,082,092	144,80
Accumulated depreciation			
mechanical equipment	232,850	136,270	96,58
office supplies	7,118	4,764	2,35
automobile	15,281	11,665	3,61
houses	7,475	3,944	3,53
sub total	262,725	156,643	106,08
Fixed assets.net	964,168	925,449	38,71

Revenue Recognition

Revenue is recognized from our wholesale. Revenue within our wholesale operations is recognized at the time title passes and risk of loss is transferred to customers. Wholesale revenue is recorded net of returns, discounts and allowances. Returns and allowances require pre-approval from management. Discounts are based on trade terms. Estimates for end-of-season allowances are based on historical trends, seasonal results, an evaluation of current economic conditions and retailer performance. We review and refine these estimates on a monthly basis based on current experience. Our historical estimates of these costs have not differed materially from actual results. Licensing revenues are recorded based upon contractually guaranteed minimum levels and adjusted as actual sales data is received from licensees.

Sales	1/01/10-10/31/10	1/01/09-10/31/09	Flux
gear wheel	186,928	0	186,928
ornamental lid	8,637	3,455	5,182
plastic products processing	142,095	10,548	131,547
axle	37,726	0	37,726
rubber tube	1,658	0	1,658
card	205,536	37,556	167,981
module	23,923	0	23,923
navigation	294	3,530	-3,236
Burglar Alarm	184,786	0	184,786
processing expense	441	0	441
Mold repair	3,639	0	3,639
correct voucher	8	0	8
hardware	208,246	0	208,246
electric machinery	0	34,127	-34,127
gear wheel processing	0	12,519	-12,519
module processing	0	185	-185

vane wheel	0	433	-433
total	1,003,916	102,352	901,564
Cost	1/01/10-10/31/10	1/01/09-10/31/09	Flux
gear wheel	136,057	0	136,057
ornamental lid	9,968	3,065	6,903
plastic products processing	110,782	10,321	100,462
axle	44,560	0	44,560
rubber tube	753	0	753
card	176,652	16,528	160,124
Mold repair	19,193	0	19,193
navigation	226	2,469	-2,243
Burglar Alarm	191,072	0	191,072
processing expense	0	0	0
Mold repair	0	0	0
correct voucher	0	0	0
hardware	75,243	0	75,243
others	77,185		77,185
electric machinery	0	33,963	-33,963
gear wheel processing	0	8,771	-8,771
module processing	0	207	-207
vane wheel	0	287	-287
total	841,690	75,610	766,080

Main Taxes of the Company

a) Income Taxes

A tax-resident enterprise accounts for income taxes in accordance with PRC's new Corporate Income Tax (CIT) Law.

b) Value added tax

Hi-Great is a general taxpayer of value added tax and the value added tax rate is 17%.

c) Urban maintenance and construction tax and surcharge for education

There are no urban maintenance and construction tax rate and educational surcharge rate for Hi-Great.

Accounts Payable

Items	10/31/10	10/31/09	Flux
Accounts Payable	406,977	209,963	197,014
Adjustments	0	0	
Audited	406,977	209,963	197,014

reclassification	1,977	23,872	(21,8
Audit adjustment total	0	0	
Less: provision for bad debt	0	0	
Accounts Payable, net	408,953	233,835	175,1

Other Payable

Items	10/31/10	10/31/09	Flux
Other Payable	2,168,371	2,026,459	141,91
Adjustments	0	0	
Audited	2,168,371	2,026,459	141,91
reclassification	956	592	36
Audit adjustment total	2,169,327	2,027,052	142,27
Less: provision for bad debt	0	0	
Other Payable, net	2,169,327	2,027,052	142,27

Tax payable

Items	10/31/10	10/31/09	Flux
value added tax	22,613	(18,643)	41,25
total	22,613	(18,643)	41,25

Common Stock

See shareholder list.

Capital Surplus

Item	10/31/10	10/31/09	Flux
	A	B	A-B
Additional paid-in capital	482,074	482,074	0
Total	482,074	482,074	0

Note 5- Operation analysis and others

Operation results

Revenue

Sales	1/01/10-10/31/10	1/01/09-10/31/09	Flux	Flux rate
gear wheel	186,928	0	186,928	
ornamental lid	8,637	3,455	5,182	15
plastic products processing	142,095	10,548	131,547	124
axle	37,726	0	37,726	

rubber tube	1,658	0	1,658	
card	205,536	37,556	167,981	44
module	23,923	0	23,923	
navigation	294	3,530	-3,236	-9
Burglar Alarm	184,786	0	184,786	
processing expense	441	0	441	
Mold repair	3,639	0	3,639	
correct voucher	8	0	8	
hardware	208,246	0	208,246	
electric machinery	0	34,127	-34,127	-10
gear wheel processing	0	12,519	-12,519	-10
module processing	0	185	-185	-10
vane wheel	0	433	-433	-10
total	1,003,916	102,352	901,564	88

The revenue increased 881% compare to the previous year, since the plastic products processing was the largest contributor to the growth.

Gross margin

Items	1/01/10-10/31/10	1/01/09-10/31/09	Flux
	A	B	A-B
sales/sales of service	1,003,916	102,352	901,564
cost	841,690	75,610	766,080
tax and associate charge	0	0	
Gross Profit	162,226	26,741	135,485
GPM	16.16%	26.13%	15.03%

G&A expenses

Item	1/01/10-10/31/10	1/01/09-10/31/09	Flux
salary	52,595	28,186	24,410
depreciation expense	5,397	34,942	-29,545
retirement pension	4,160	2,215	1,945
medical fee	1,427	301	1,126
expense of waiting for employment	453	59	394
employment injury insurance	312	22	290
other employment security	13,061	1,534	11,527
Office allowance	3,001	785	2,216
repair charge	0	5,938	-5,938

travel expense	13,494	2,016	11,47
business entertainment expense	1,238	710	52
individual income tax	2,824	248	2,57
electric charge	3,912	7,704	-3,79
telecommunication expense	2,619	1,395	1,22
others	38,311	-3,089	41,40
working injury	313	0	31
freight	12,373	0	12,37
river maintenance expense	112	0	11
disable security	0	122	-12
total	155,602	83,087	72,51

Operating expenses

Items	1/01/10-10/31/10	1/01/09-10/31/09	Flux
freight	0	683	-68
total	0	683	-68

Financial expenses

Items	1/01/10-10/31/10	1/01/09-10/31/09	Flux
bank charge	230	89	14
interest income	(68)	(26)	(4)
foreign exchange gain or loss	0	(228)	22
total	162	(165)	32

Non-business expenditure

Items	1/01/10-10/31/10	1/01/09-10/31/09	Flux
non-business expenditure	14,443	88	14,35
total	14,443	88	14,35

Other business profit

Items	1/01/10-10/31/10	1/01/09-10/31/09	Flux
other business profit	12,400	75	12,32
total	12,400	75	12,32

Related companies and amount incurred

1. Big King Horn Electronic (Shanghai) CO., Ltd. is a Taiwanese-invested company built in 1995 under the approval of Foreign Economic and Trade Commission of Shanghai municipal government. The legal representative is You Zongwen.
2. BIG KING HORN ENTERPRISE 大台北 有限公司, LTD. Business project include electronic siren, car security alarm system. The legal representative is You Zongwen.
3. JI Lin Baixin Automobile Parts CO., LTD. The principal activities of the Group are production and processing plastic product and electronic products. The legal representative is Wang Dongjun.

Items	1/01/10-10/31/10 Related Party Transaction			Non-related Party Transaction	Total
	Big King Horn Electronic (Shanghai)	BIG KING HORN ENTERPRISE	JI Lin Baixin Automobile Parts		
Prime Operating Revenue	629,284.91		8,637.28	365,989.87	1,003,912
Percentage of total revenue	62.68%		0.86%	36.46%	100.0

Items	1/01/09-10/31/09 Related Party Transaction			Non-related Party Transaction	Total
	Big King Horn Electronic (Shanghai)	BIG KING HORN ENTERPRISE	JI Lin Baixin Automobile Parts		
Prime Operating Revenue			3,455.11	98,896.70	102,351.81
Percentage of total revenue			3.38%	96.62%	100.00%

Note 6- Approval of Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors on Dec. 2, 2010.

HI-GREAT GROUP HOLDING COMPANY
Dec. 2, 2010.