

**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

**H&H IMPORTS, INC. AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONSOLIDATED BALANCE SHEETS**

	<b>September 30,</b>	<b>March 31,</b>
	<b>2010</b>	<b>2010</b>
	(unaudited)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 198,063	\$ 74,991
Accounts receivable, net	87,806	55,830
Due from related party	149,061	140,961
Inventories	49,685	46,188
Deferred productions costs	110,247	—
Prepaid expenses and other current assets	495,552	155,170
Total current assets	<u>1,090,414</u>	<u>473,140</u>
Property, plant and equipment, net	<u>72,300</u>	<u>29,685</u>
Total Assets	<u><u>\$ 1,162,714</u></u>	<u><u>\$ 502,825</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 143,196	\$ 66,441
Loan from officer	107,000	107,513
Deferred revenue	197,187	136,450
Notes payable	27,293	737,500
Accrued interest related parties	4,494	2,321
Accrued expenses and other current liabilities	137,600	61,050
Total current liabilities	<u>616,770</u>	<u>1,111,275</u>
Commitments and contingencies		
<b>Stockholders' equity (deficit):</b>		
Preferred stock, \$.0001 par value; 20,000,000 shares authorized; no shares issued and outstanding at September 30, 2010 and March 31, 2010, respectively	—	—
Common stock, \$.0001 par value; 400,000,000 shares authorized, 198,362,345 and 161,055,000 issued and outstanding at September 30, 2010 and March 31, 2010, respectively	19,837	16,106
Additional paid-in capital	3,851,672	293,269
Deficit accumulated during development stage	(3,325,565)	(917,825)
Total stockholders' equity (deficit)	<u>545,944</u>	<u>(608,450)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 1,162,714</u></u>	<u><u>\$ 502,825</u></u>

The accompanying unaudited notes are an integral part of these financial statements