

HELI ELECTRONICS CORP.
Form 10-Q
May 28, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY
PERIOD ENDED APRIL 30, 2010
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Commission file number 000-53692

HELI ELECTRONICS CORP.
(Formerly Dong Fang Minerals, Inc.)
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

Room A606, Dacheng International Centre,
78 Dongsihuanzhonglu
Chaoyang District, Beijing, P.R. China
(Address of principal executive offices, including zip code.)

(86) 010-5962 5606
(Registrant's telephone number, including area code)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (SS 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer

Edgar Filing: HELI ELECTRONICS CORP. - Form 10-Q

Non-accelerated Filer
(Do not check if smaller reporting company)

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicated the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 720,720,000 as of May 28, 2010.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
Balance Sheets
(Expressed in US Dollars)

| | April 30, 2010 (Unaudited) | January 31, 2010 |
|--|----------------------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 30,362 | \$ 43,922 |
| Total current assets | 30,362 | 43,922 |
| Mineral property acquisition costs, less reserve for impairment of \$4,625 and \$4,625, respectively | - | - |
| Total Assets | \$ 30,362 | \$ 43,922 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 19,062 | \$ 5,685 |
| Due to related party | 35,505 | 35,505 |
| Total current liabilities | 54,567 | 41,190 |
| Stockholders' Equity | | |
| Preferred Stock, \$0.00001 par value; authorized 100,000,000 shares, none issued and outstanding | - | - |
| Common Stock, \$0.00001 par value; authorized 12,000,000,000 shares, issued and outstanding 720,720,000 and 720,720,000 shares, respectively, | 9,207 | 9,207 |
| Additional paid-in capital | 93,443 | 93,443 |
| Deficit accumulated during the exploration stage | (124,855) | (97,918) |
| Total stockholders' equity | (22,205) | 4,732 |
| Total Liabilities and Stockholders' Equity | \$ 32,362 | \$ 45,922 |

See notes to financial statements.

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
Statements of Operations
(Expressed in US Dollars)
(Unaudited)

| | | Three Months Ended April 30, 2010 | Three Months Ended April 30, 2009 | Period from November 7, 2007 (Date of Inception) to April 30, 2010 |
|--|----|--|---|--|
| Revenue | \$ | -\$ | -\$ | - |
| Costs and expenses | | | | |
| Mineral property exploration and carrying costs | | - | - | 3,668 |
| General and administrative | | 460 | 295 | 35,022 |
| Professional fees | | 26,477 | 5,789 | 81,540 |
| Impairment of mineral property acquisition costs | | - | - | 4,625 |
| Total costs and expenses | | 26,937 | 6,084 | 124,855 |
| Net Loss | \$ | (26,937) | \$ (6,084) | \$ (124,855) |
| Net loss per share | | | | |
| Basic and diluted | \$ | (0.00) | \$ (0.00) | |
| Weighted Average Shares Outstanding | | | | |
| Basic and diluted | | 720,720,000 | 720,720,000 | |

See notes to financial statements.

F-2

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
Statements of Stockholders' Equity
For the Period November 7, 2007 (Inception) to April 30, 2010
(Expressed in US Dollars)

| | Common Stock, \$0.00001 par value | | Additional Paid-in Capital | Deficit Accumulated During the Exploration Stage | Total Stockholders' Equity (Deficiency) |
|---|--------------------------------------|----------|----------------------------------|--|--|
| | Shares | Amount | | | |
| Common stock issued | | | | | |
| November 2007 | 600,000,000\$ | 6,000 \$ | (5,950) \$ | - \$ | 50 |
| Net loss | - | - | - | (20,958) | (20,958) |
| Balance - January 31, 2008 | 600,000,000 | 6,000 | (5,950) | (20,958) | (20,908) |
| Sale of shares in public offering at \$0.000833 per share | 120,720,000 | 1,207 | 99,393 | - | 100,600 |
| Net loss | - | - | - | (44,285) | (44,285) |
| Balance -January 31, 2009 | 720,720,000 | 7,207 | 93,443 | (65,243) | 35,407 |
| Net loss | - | - | - | (32,675) | (32,675) |
| Balance -January 31, 2010 | 720,720,000 | 7,207 | 93,443 | (97,918) | 2,732 |
| Unaudited: | | | | | |
| Net loss | - | - | - | (26,937) | (26,937) |
| Balance - April 30, 2010 | 720,720,000\$ | 7,207 \$ | 93,443 \$ | (124,855)\$ | (24,205) |

See notes to financial statements.

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in US Dollars)
(Unaudited)

| | Three Months Ended April 30, 2010 | Three Months Ended April 30,2009 | Period from November 7, 2007 (Date of Inception) to April 30, 2010 |
|--|--|--|---|
| Cash Flows from Operating Activities | | | |
| Net loss | \$ (26,937) | \$ (6,084) | \$ (124,855) |
| Adjustments to reconcile net loss | | | |
| to net cash provided by (used for) operating activities | | | |
| Impairment of mineral property acquisition costs | - | - | 4,625 |
| Change in operating assets and liabilities: | | | |
| Accounts payable and accrued liabilities | 13,377 | 4,480 | 19,062 |
| Net cash provided by (used for) operating activities | (13,560) | (1,604) | (101,168) |
| Cash Flows from Investing Activities | | | |
| Acquisition of mineral property | - | - | (4,625) |
| Net cash provided by (used for) investing activities | - | - | (4,625) |
| Cash Flows from Financing Activities | | | |
| Increase (decrease) in due to related party | - | - | 35,505 |
| Proceeds from sales of common stock | - | - | 100,650 |
| Net cash provided by financing activities | - | - | 136,155 |
| Increase (decrease) in cash | (13,560) | (1,604) | 30,362 |
| Cash - beginning of period | 43,922 | 77,556 | - |
| Cash - end of period | \$ 30,362 | \$ 75,952 | \$ 30,362 |
| Supplemental disclosures of cash flow information: | | | |
| Interest paid | \$ - | \$ - | \$ - |

| | | | | | | |
|-------------------|----|---|----|---|----|---|
| Income taxes paid | \$ | - | \$ | - | \$ | - |
|-------------------|----|---|----|---|----|---|

See notes to financial statements.

F-4

5

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
April 30, 2010
(Unaudited)

Note 1 Organization and Business Operations

Heli Electronics Corp. (the “Company”) was incorporated in the State of Nevada on November 7, 2007 as Dong Fang Minerals, Inc. The Company is an Exploration Stage Company as defined by Accounting Standards Codification (“ASC”) Topic 915. On November 17, 2007, the Company acquired a mineral property claim located in the Province of British Columbia, Canada; on April 8, 2010, the claim was forfeited due to nonpayment.

On March 18, 2010, we entered into a non-binding letter of intent to acquire all of the issued and outstanding shares of a British Virgin Island corporation to be formed in the future in consideration of 144,280,000 (after a 120 for 1 forward stock split) restricted shares of our common stock. The BVI corporation will, prior thereto, have acquired all of Guangzhou Heli Information Technology Co., Ltd., a People’s Republic of China corporation (“Heli”). Further, the Company’s chief executive officer and former chief executive officer are to cancel a total of 600,000,000 (after a 120 for 1 forward stock split) shares of Company common stock prior to closing. The letter of intent is not binding upon any parties thereto and is subject to the execution of a definitive agreement.

On March 29, 2010, Heli Electronics Corp., formerly known as Dong Fang Minerals, Inc. (the “Company”), filed Articles of Merger with the Nevada Secretary of State to effect a merger with its wholly owned subsidiary, Heli Electronics Corp. and assume the subsidiary’s name. The subsidiary was incorporated entirely for the purpose of effecting this name change and the merger did not affect the Company’s Articles of Incorporation or corporate structure in any other way.

On April 5, 2010, we increased our authorized shares of common stock from 100,000,000 to 12,000,000,000 shares and authorized a 120 for 1 forward stock split to increase our issued and outstanding shares from 6,006,000 to 720,720,000 shares. Effective May 13, 2010, the stock split occurred. Share information and per share amounts in the accompanying financial statements have been retroactively adjusted to reflect this stock split.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared on a “going concern” basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, as of April 30, 2010, the Company had negative working capital and a stockholders’ deficiency of \$24,205. Further, since inception, the Company has incurred a net loss of \$124,855. These factors create substantial doubt as to the Company’s ability to continue as a going concern. The Company plans to improve its financial condition by obtaining new financing. However, there is no assurance that the Company will be successful in accomplishing this objective. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
April 30, 2010
(Unaudited)

Interim Financial Statements

The unaudited financial statements as of April 30, 2010, for the three months ended April 30, 2010 and 2009, and for the period November 7, 2007 (inception) to April 30, 2010, have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with instructions to Form 10-Q. In the opinion of management, the unaudited financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position as of April 30, 2010 and the results of operations and cash flows for the periods ended April 30, 2010 and 2009. The financial data and other information disclosed in these notes to the interim financial statements related to these periods are unaudited. The results for the three months period ended April 30, 2010 is not necessarily indicative of the results to be expected for any subsequent quarter of the entire year ending January 31, 2011. The balance sheet at January 31, 2010 has been derived from the audited financial statements at that date.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the Securities and Exchange Commission's rules and regulations. These unaudited financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended January 31, 2010 as included in our report on Form 10-K filed May 3, 2010.

Mineral Property Costs

The Company has been in the exploration stage since its incorporation and inception on November 7, 2007 and has not yet realized any revenues from its planned operations. Mineral property acquisition costs are capitalized and are charged to operations as the value is impaired. Exploration costs are expensed until proven and probable reserves are established. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized. Such costs are amortized using the units-of-production method over the estimated life of the probable reserves.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar.

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
April 30, 2010
(Unaudited)

Financial Instruments

The carrying values of the Company's financial instruments, consisting of cash and cash equivalents, accounts payable and accrued liabilities, and due to related party, approximate their fair values due to the short maturity of these instruments.

Environmental Costs

Environmental expenditures that relate to current operations are charged to operations or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are charged to operations. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Income Taxes

Income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

Basic and Diluted Net Loss per Share

The Company computes net income (loss) per share in accordance with ASC Topic 260, "Earnings per Share". ASC Topic 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period. Diluted EPS excludes potentially dilutive shares if their effect is anti-dilutive.

Stock-based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718, "Share Based Payment". To date, the Company has not adopted a stock option plan and has not granted any stock options.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

F-7

8

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
April 30, 2010
(Unaudited)

Note 3 Mineral Property

Pursuant to a mineral property purchase agreement dated November 17, 2007, the Company acquired a 100% undivided right, title and interest in the Dong Fang minerals claim, located 15 miles northwest of Penticton, British Columbia, Canada, for \$4,625. The Tenure Number ID is 555886, which expired April 8, 2010. The property was in the name of Liu Jian Hong held by him in trust for the Company.

On November 17, 2007, the Company received an evaluation report from a third party consulting firm recommending an exploration program with a total estimated cost of \$92,500. Due to lack of working capital, the Company never completed this program. At January 31, 2008, the Company provided a \$4,625 reserve for impairment of the mining property acquisition costs.

On November 12, 2009, the first phase of the exploration program described in the report dated November 17, 2007 was completed in part. Samples were taken from four locations to determine the progressive sequence to the continuance of the fulfillment of the Phase I recommendations.

The Phase I samples were taken from the granitic host rock of the quartz veins which were reported to contain significant mineral values. The purpose of the sampling program was to determine the potential for potential economic mineral values in the granitic host rock. Based on the results of the Phase I exploration program, the consulting firm advised the Company on November 12, 2009 that there was no surficial indication that the granitic host rocks to the mineralized quartz veins have potential to hosting economic mineralization and that any additional exploration work on the Property was not recommended.

Note 4 Due to Related Party

The \$35,505 amount due to Jiang Hong Liu at April 30, 2010 is due the former chief executive officer of the Company (to November 2, 2009), is non-interest bearing, and is due on demand.

Note 5 Common Stock

In November 2007, the Company issued a total of 600,000,000 shares of common stock to two directors for total cash proceeds of \$50.

On September 30, 2008, the Company sold a total of 120,720,000 shares of common stock to 45 investors at \$0.000833 per share for total cash proceeds of \$100,600 and closed its public offering.

At April 30, 2010, there are no outstanding stock options or warrants.

Heli Electronics Corp.
(Formerly Dong Fang Minerals, Inc.)
(An Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
April 30, 2010
(Unaudited)

Note 6 Income Taxes

No provisions for income taxes have been recorded since the Company has incurred net losses since inception. Based on management's present assessment, the Company has not yet determined it to be more likely than not that a deferred tax asset of \$42,451 attributable to the future utilization of the net operating loss carryforward of \$124,855 as of April 30, 2010 will be realized. Accordingly, the Company has maintained its 100% allowance against the deferred tax asset in the financial statements. The Company will continue to review this valuation allowance and make adjustments as appropriate. The \$124,855 net operating loss carryforward expires \$20,958 in 2028, \$44,285 in 2029, \$32,675 in 2030 and \$26,937 in 2031.

Current United States income tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Plan of Operation

For all intents and purposes, we are a start-up company. We discontinued mining operations on April 8, 2010 when the claim we had the right to explore was forfeited due to nonpayment. We have not generated or realized any revenues from our business operations.

Our auditor has issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills.

Our officer and sole director are unwilling to make any commitment to loan us any money at this time. At the present time, we have not made any arrangements to raise additional cash. If we need additional cash and can't raise it, we will either have to suspend activities until we do raise the cash, or cease activities entirely. Other than as described in this paragraph, we have no other financing plans. Our success or failure will be determined by what we find under the ground.

On March 18, 2010, we entered into a non-binding letter of intent to acquire all of the issued and outstanding shares of a British Virgin Island ("BVI") corporation to be formed in the future in consideration of 144,280,000 restricted shares of our common stock. The BVI corporation is to, prior thereto, acquire Guangzhou Heli Information Technology Co., Ltd., a People's Republic of China corporation ("Heli"). The letter of intent also contains other provisions relating to the cancellation of common shares held by Company related parties and the proposed change of control of the Company. The letter of intent is not binding upon any parties thereto and is subject to the execution of a definitive agreement. As of the date of this report, we have not executed a definitive agreement and there is no assurance we will do so in the future.

Ms. Lu has agreed to advance funds to pay the costs of filing reports with the SEC in the event the Company does not have the funds to do so. Ms. Lu's commitment to paying such costs is oral and not in writing. At the present time, we have not made any arrangements to raise additional cash. If we need additional cash and can't raise it, we will either have to suspend operations until we do raise the cash, or cease operations entirely. Other than as described in this paragraph, we have no other financing plans.

Results of Operations

From Inception on November 7, 2007 to April 30, 2010

In November 2007, the Company acquired one mineral claim in British Columbia, Canada (which was forfeited in April 2010).

We have no revenues, have had losses since inception, and rely upon the sale of our securities and loans from our officers and directors to fund operations.

On September 30, 2008, we issued 120,720,000 shares of our common stock pursuant to a public offering. The offering was set at \$0.000833 per share and the Company raised \$100,600 in the offering.

Since inception, we have used the proceeds from the public offering and loans from related party to fund our operations.

On March 18, 2010, we entered into a non-binding letter of intent to acquire all of the issued and outstanding shares of a British Virgin Island ("BVI") corporation to be formed in the future in consideration of 144,280,000 restricted shares of our common stock. The BVI corporation is to, prior thereto, acquire Guangzhou Heli Information Technology Co., Ltd., a People's Republic of China Corporation ("Heli"). The letter of intent also contains other provisions relating to the cancellation of common shares held by Company related parties and the proposed change of control of the Company. The letter of intent is not binding upon any parties thereto and is subject to the execution of a definitive agreement.

We currently do not own any properties or have the right to conduct exploration activities on any property.

Limited Operating History; Need for Additional Capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are an exploration stage corporation and have not generated any revenues from operations. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Liquidity and Capital Resources

As of the date of this report, we have yet to generate any revenues from our business operations.

On April 5, 2010, we split our shares of common stock on the basis of 120 for 1. All of the figures in this report reflect this stock split.

On September 30, 2008, we issued 120,720,000 shares of our common stock pursuant to a public offering. The offering was set at \$0.000833 per share and the Company raised \$100,600 in the offering.

In November 2007, we issued 600,000,000 shares of common stock pursuant to the exemption from registration continued in Section S of the Securities Act of 1933. The purchase price of the shares was \$50. This was accounted for as an acquisition of shares. Through April 30, 2010, Jian Hong Liu, our former chief executive officer, loaned us a total of \$35,505 to help finance operations. The amount owed to Mr. Liu is non-interest bearing, unsecured and due on demand. Further the agreement with Mr. Liu is oral and there is no written document evidencing the agreement.

As of April 30, 2010, our total assets were \$30,362 and our total liabilities were \$ 54,567.

The Company currently has approximately \$30,362 of cash on hand.

Recent accounting pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued a standard that established the FASB Accounting Standards Codification (ASC) and amended the hierarchy of generally accepted accounting principles (ASC) and amended the hierarchy of generally accepted accounting principles (GAAP) such that the ASC became the single source of authoritative nongovernmental U.S. GAAP. The ASC did not change current U.S. GAAP, but was intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All previously existing accounting standard documents were superseded and all other accounting literature not included in the ASC is considered non-authoritative. New accounting standards issued subsequent to June 30, 2009 are communicated by the FASB through Accounting Standards Updates (ASUs). The Company adopted the ASC on July 1, 2009. This standard did not have an impact on the Company's results of operations or financial condition. However, throughout the notes to the financial statements references that were previously made to various former authoritative U.S. GAAP pronouncements have been changed to coincide with the appropriate section of the ASC.

In December 2007, the FASB issued and, in April 2009, amended a new business combinations standard codified within ASC 805, which changed the accounting for business acquisitions. Accounting for business combinations under this standard requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction and establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed in a business combination. Certain provisions of this standard impact the determination of acquisition-date fair value of consideration paid in a business combination (including contingent consideration); exclude transaction costs from acquisition accounting; and change accounting practices for acquisition-related restructuring costs, in-process research and development, indemnification assets, and tax benefits. Through April 30, 2010, this standard has had no impact on the Company's financial position or results of operations.

In April 2009, the FASB issued an accounting standard which provides guidance on (1) estimating the fair value of an asset or liability when the volume and level of activity for the asset or liability have significantly declined and (2) identifying transactions that are not orderly. The standard also amended certain disclosure provisions for fair value measurements and disclosures in ASC 820 to require, among other things, disclosures in interim periods of the inputs and valuation techniques used to measure fair value as well as disclosure of the hierarchy of the source of underlying fair value information on a disaggregated basis by specific major category of investment. For the Company, this standard was effective prospectively beginning July 1, 2009. The adoption of this standard did not have a material impact on the Company's results of operations or financial condition.

In April 2009, the FASB issued an accounting standard which modifies the requirements for recognizing other-than-temporarily impaired debt securities and changes the existing impairment model for such securities. The standard also requires additional disclosures for both annual and interim periods with respect to both debt and equity securities. Under the standard, impairment of debt securities will be considered other-than-temporary if an entity (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security's entire amortized cost basis (even if the entity does not intend to sell). The standard further indicates that, depending on which of the above factor(s) causes the impairment to be considered other-than-temporary, (1) the entire shortfall of the security's fair value versus its amortized cost basis or (2) only the credit loss portion would be recognized in earnings while the remaining shortfall (if any) would be recorded in other comprehensive income. The standard requires entities to initially apply its provisions to previously other-than-temporarily impaired debt securities existing as of the date of initial adoption by making a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The cumulative-effect adjustment potentially reclassifies the noncredit portion of a previously other-than-temporarily impaired debt security held as of the date of initial adoption from retained earnings to accumulated other comprehensive income. The adoption of this standard did not have a material impact on the Company's results of operations or financial condition.

In April 2009, the FASB issued an accounting standard regarding interim disclosures about fair value of financial instruments. The standard essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the standard requires certain additional disclosures regarding the methods and significant assumptions used to estimate the fair value of financial instruments. The adoption of this standard did not have a material impact on the Company's results of operations or financial condition.

In May 2009, the FASB issued a new accounting standard regarding subsequent events. This standard incorporates into authoritative accounting literature certain guidance that already existed within generally accepted auditing standards, with the requirements concerning recognition and disclosure of subsequent events remaining essentially unchanged. This guidance addresses events which occur after the balance sheet date but before the issuance of financial statements. Under the new standard, as under previous practice, an entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that did not exist at the balance sheet date. This standard added an additional required disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued. For the Company, this standard was effective beginning July 1, 2009.

In June 2009, the FASB issued a new standard regarding the accounting for transfers of financial assets amending the existing guidance on transfers of financial assets to, among other things, eliminate the qualifying special-purpose entity concept, include a new unit of account definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, clarify and change the derecognition criteria for a transfer to be accounted for as a sale, and require significant additional disclosure. The standard is effective for new transfers of financial assets beginning January 1, 2010. The adoption of this standard is not expected to have a material impact on the Company's results of operations or financial condition.

In June 2009, the FASB issued an accounting standard that revised the consolidation guidance for variable-interest entities. The modifications include the elimination of the exemption for qualifying special purpose entities, a new approach for determining who should consolidate a variable-interest entity, and changes to when it is necessary to reassess who should consolidate a variable-interest entity. The standard is effective January 1, 2010. The Company is currently evaluating the impact of this standard, but would not expect it to have a material impact on the Company's results of operations or financial condition.

In August 2009, the FASB issued ASU No. 2009-05, Measuring Liabilities at Fair Value, which provides additional guidance on how companies should measure liabilities at fair value under ASC 820. The ASU clarifies that the quoted price for an identical liability should be used. However, if such information is not available, a entity may use, the quoted price of an identical liability when traded as an asset, quoted prices for similar liabilities or similar liabilities traded as assets, or another valuation technique (such as the market or income approach). The ASU also indicates that the fair value of a liability is not adjusted to reflect the impact of contractual restrictions that prevent its transfer and indicates circumstances in which quoted prices for an identical liability or quoted price for an identical liability traded as an asset may be considered level 1 fair value. This ASU is effective October 1, 2009. This standard has not had a material impact on the Company's results of operations or financial condition.

In September 2009, the FASB issued ASU No. 2009-12, Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), that amends ASC 820 to provide guidance on measuring the fair value of certain alternative investments such as hedge funds, private equity funds and venture capital funds. The ASU indicates that, under certain circumstance, the fair value of such investments may be determined using net asset value (NAV) as a practical expedient, unless it is probable the investment will be sold at something other than NAV. In those situations, the practical expedient cannot be used and disclosure of the remaining actions necessary to complete the sale is required. The ASU also requires additional disclosures of the attributes of all investments within the scope of the new guidance, regardless of whether an entity used the practical expedient to measure the fair value of any of its investments. This ASU is effective October 1, 2009. This standard has not had a material impact on the Company's results of operations or financial condition.

In October 2009, the FASB issued ASU No. 2009-13, Multiple-Deliverable Revenue Arrangements—a consensus of the FASB Emerging Issues Task Force, that provides amendments to the criteria for separating consideration in multiple-deliverable arrangements. As a result of these amendments, multiple-deliverable revenue arrangements will be separated in more circumstances than under existing U.S. GAAP. The ASU does this by establishing a selling price hierarchy for determining the selling price of a deliverable. The selling price used for each deliverable will be based on vendor-specific objective evidence if available, third-party evidence if vendor-specific objective evidence is not available, or estimated selling price if neither vendor-specific objective evidence nor third-party evidence is available. A vendor will be required to determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis. This ASU also eliminates the residual method of allocation and will require that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method, which allocates any discount in the overall arrangement proportionally to each deliverable based on its relative selling price. Expanded disclosures of qualitative and quantitative information regarding application of the multiple-deliverable revenue arrangement guidance are also required under the ASU. The ASU does not apply to arrangements for which industry specific allocation and

measurement guidance exists, such as long-term construction contracts and software transactions. The ASU is effective beginning January 1, 2011. The Company is currently evaluating the impact of this standard on the Company's results of operations and financial condition.

In October 2009, the FASB issued ASU No. 2009-14, Certain Revenue Arrangements That Include Software Elements—a consensus of the FASB Emerging Issues Task Force, that reduces the types of transactions that fall within the current scope of software revenue recognition guidance. Existing software revenue recognition guidance requires that its provisions be applied to an entire arrangement when the sale of any products or services containing or utilizing software when the software is considered more than incidental to the product or service. As a result of the amendments included in ASU No. 2009-14, many tangible products and services that rely on software will be accounted for under the multiple-element arrangements revenue recognition guidance rather than under the software revenue recognition guidance. Under the ASU, the following components would be excluded from the scope of software revenue recognition guidance: the tangible element of the product, software products bundled with tangible products where the software components and non-software components function together to deliver the product's essential functionality, and undelivered components that relate to software that is essential to the tangible product's functionality. The ASU also provides guidance on how to allocate transaction consideration when an arrangement contains both deliverables within the scope of software revenue guidance (software deliverables) and deliverables not within the scope of that guidance (non-software deliverables). The ASU is effective beginning January 1, 2011. The Company is currently evaluating the impact of this standard on the Company's results of operations and financial condition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting during the quarter ended October 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On May 20, 2008, the Securities and Exchange Commission declared our Form S-1 Registration Statement effective (File number 333-150192) permitting us to offer up to 240,000,000 shares of common stock at \$0.000833 per share. There was no underwriter involved in our public offering.

On September 30, 2008, we sold a total of 120,720,000 shares of common stock and received cash proceeds of \$100,600.

Since then we have spent the proceeds as follows:

| | | |
|--------------------------------|----|--------|
| Transfer Agent and Filing Fees | \$ | 12,320 |
| Professional Fees | \$ | 43,992 |
| Total Expenses | \$ | 56,312 |

ITEM 6. EXHIBITS.

The following documents are included herein:

| Exhibit No. | Document Description |
|-------------|---|
| 31.1 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities on this 28th day of May, 2010

HELI ELECTRONICS CORP.
(Registrant)

BY: LU LU
Lu Lu
President, Principal Executive Officer, Treasurer,
Secretary, Principal Financial Officer, Principal
Accounting Officer, and sole member of the Board
of Directors

EXHIBIT INDEX

| Exhibit No. | Document Description |
|-------------|---|
| 31.1 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |

