

SCORE ONE INC
Form 10QSB
May 21, 2007

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

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
for the quarterly period ended March 31, 2007.

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
for the transition period from _____ to _____.

Commission File Number 000-26717

Score One, Inc.

(Name of small business issuer in its charter)

Nevada
(State or other jurisdiction of incorporation)

88-0409164
(I.R.S. Employer
Identification No.)

**Suites 2203-06, Level 22, Office Tower, Langham Place, 8 Argyle Street, Mongkok,
Kowloon, Hong Kong**

(Address of principal executive offices)

011 852 3105 5063
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

The number of shares of common stock, par value \$.001 per share, outstanding of the issuer as of May 8, 2007 was 37,162,902 shares.

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

Transitional small business disclosure format (check one) Yes No

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

Score One, Inc. and
 subsidiaries
 Consolidated Balance Sheet
 (audited, in USD)
 As of March 31, 2007

	SAS	RC Capital	Score One	31/3/2007 Consolidation	31-Mar-06 Consolidation
Assets					
Current Assets					
Cash and bank balances	-	69	-	69	53
Account Receivable	-	458,200		211,653	
Due from director	7,370	67,784	-4,538	-	
Other receivable and current assets	2,273	-	600	261,073	-
Total current assets	9,643	526,053	-3,938	472,795	53
Intangible assets	-			35,764	
Investment in subsidiary	-	-	634,541	-	
Total assets	9,643	526,053	630,603	508,559	53
Liabilities and Stockholders' Equity					
Current liabilities					
Bank overdraft	11,419.00	-	-	11,419	-
Accrued expenses	-	27,283	-	27,283	5,670
Other payable	-	-	-	-	5,073
Income tax payable	99	-	-	99	
Amount due to director			-	-	
Amount due to related companies	-12,059	-31,013	43,072	-	
Total current liabilities	-541	-3,730	43,072	38,801	10,743
Total Liabilities	-541	-3,730	43,072	38,801	10,743
Minority interest	-	-	-	-	
Stockholders' equity					
Preferred stock					
5,000,000 shares authorized, \$0.001 par value, Series A convertible, authorized 500,000 shares, 138,181 Class A issued and outstanding					

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Series B convertible, authorized 57,000 shares, no shares issued and outstanding	-	-	138	138	138
Common stock 200,000,000 shares authorized, \$0.001 par value, 37,162,902 shares issued and outstanding	25,641	12,821	37,163	37,163	1,163
Additional paid-in-capital	-	-	270,000	270,000	
Due from a director	-	-	-	-	
Due to shareholders	-	-	-	-	
Retained earnings	-15,457	516,962	280,230	162,457	(11,991)
Total stockholders' equity	10,184	529,783	587,531	469,758	(10,690)
Total liabilities and stockholders' equity	9,643	526,053	630,603	508,559	53
	0	0	0	0	0

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

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Score One, Inc. and subsidiaries
 Consolidated Statement of Operations (unaudited,
 in USD)
 For the year ended March 31,
 2007

	SAS	RC Capital	Score One	31-Mar-07 Consolidated	31-Mar-06 Consolidated
Net sales	4,872	-	-	4,872	-
Cost of sales	-8,938	-	-	-8,938	-
Gross profit	-4,066	-	-	-4,066	-
Equity income from subsidiary	-	-	0	-	-
Shares issued for services	-	-	0	0	-
General and administrative expenses	-1,534	-11,636	-282	-13,452	-10,590
Finance cost	-737	-	0	-737	-
Income from operations	-6,337	-11,636	-282	-18,255	-10,590
Income tax	0	-	-	-	-
Income before minority interests	-6,337	-11,636	-282	-18,255	-10,590
Minority interest	-	-	-	0	-
Net income	-6,337	-11,636	-282	-18,255	-10,590
Dividend	0	0	0	0	
Accumulated deficit, brought forward	-9,120	528,598	280,512	180,712	-1,401
Retained earnings, carried forward	-15,457	516,962	280,230	162,457	-11,991
Net loss per share - basic and diluted			\$	(0.00)\$	(0.01)
Weighted average of number of shares					
- basic				25,162,902	1,162,902
- diluted				25,301,083	1,301,083
				Preferred A shares	138,181

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

Score One, Inc. and subsidiaries
 Consolidated Statement of cashflows (unaudited, in
 USD)
 For the year ended March 31, 2007

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	2007		2006
Cash flows provided by operating activities:			
Net income	\$ (18,255)	\$	(10,590)
Adjustments to reconcile net (loss) to cash used in operating activities:			
Changes in assets and liabilities:			
Increase in assets			
Other receivable and current assets	(2,273)		-
Increase/(decrease) in liabilities			
Accrued expenses	(5,682)		5,670
Other payable	-		73
Total adjustments	(7,955)		5,743
Net cash provided by operating activities	(26,210)		(4,847)
Net increase in cash	(26,210)		(4,847)
Cash, beginning of period	14,860		4,900
Cash, end of period	\$ (11,350)	\$	53
Supplemental disclosure of cashflow information:			
Interest paid	\$ 737	\$	-

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

SCORE ONE, INC. (THE "COMPANY") AND ITS SUBSIDIARIES (THE "GROUP")
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2007 (UNAUDITED)

NOTE 1 - ORGANIZATION AND OPERATIONS

The interim financial statements of the Group for the three months ended March 31, 2007 were not audited. The financial statements are prepared in accordance with the requirements for unaudited interim periods, and consequently do not include all disclosures required to be in conformity with accounting principles generally accepted in the United States of America.

These consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the results of operations for the interim periods presented. All adjustments are of a normal recurring nature, unless otherwise disclosed.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

A summary of the Group's significant accounting policies applied in the preparation of the accompanying financial statements follows.

Revenue recognition

Revenue is recognized on the sale and transfer of goods and the completion of consulting services provided. Provisions for discounts to customers, estimated returns and allowances and other price or sales rebates adjustments are provided for in the same periods the related revenue is recorded which are deducted from the gross sales.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue recognition, allowance for doubtful accounts, long lived assets impairment, inventories, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Recent accounting pronouncements

Management does not expect that the adoption of other recent accounting pronouncements to have a material impact on its financial statements.

Earnings Per Share

In accordance with SFAS No. 128, "Earnings per Share," the basic earnings per common share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per common share is computed similarly to basic earnings per common share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of March 31, 2007, the Company did not have any dilutive common stock equivalents save for the Series A Convertible Preferred Stock issued and outstanding.

NOTE 3 - SUBSEQUENT EVENTS

On April 9, 2006, the Company entered into a Sale and Purchase Agreement (the “Sale and Purchase Agreement”) with RC Capital, Dalian Fengming International Recreation Town Co., Ltd. (“Dalian Fengming”) and Ms. Hoi-ho Kiu, CEO of the Company, which sets forth the terms and conditions of the acquisition of Dalian Fengming International Recreation Town Phase II (“Recreation Town”) in exchange for 28,000,000 shares of common stock in the Company. The transaction is contemplated to be closed on or before July 31, 2006.

Recreation Town is a piece of undeveloped land of 1,000,000 square meters located in a peninsula in Dalian, China. Recreation Town was part of a large resort project originally planned to be developed by Dalian Fengming in 1992 which was never started due to lack of financing for development. According to Dalian Fengming, the current market value of Recreation Town is approximately RMB 600 million (approximately \$75,000,000).

There were never any operations conducted with Recreation Town. The Company plans to commence the development of Recreation Town in the near future. Accordingly, it is actively seeking equity and/or debt financing in an amount up to \$25,000,000, in order to finance the anticipated development costs.

Pursuant to the Agreement, the Company shall issue 18,000,000 shares and 10,000,000 shares of common stock to Ms. Hoi-ho Kiu and Dalian Fengming, respectively. The total fair market value of such shares is considered to be \$75,000,000. As of November 9, 2006, this transaction has not yet closed as the seller is waiting the re-listing of the common stock of the Company on the Over-the-Counter Bulletin Board to consider its possible fund raising ability to complete this real estate project.

On April 25, 2007 a written notice received from the Over-the-Counter Bulletin Board, the Common Stock of the Registrant has been re-listed on the Over-the-Counter Bulletin Board under the symbol: SREA.OB effective as of March 8, 2007.

On March 20, 2007 Shui On Group unveiled a proposal for \$2 billion software-park and commercial residential complex in the northeastern port city of Dalian and pressed on The Standard - China’s Business Newspaper. Meanwhile, few different well experienced land developers in Mainland China start for some negotiations with the Company for Recreation Town, a piece of undeveloped land of 1,000,000 square meters located in peninsula in Dalian, any proposals regarding Joint Venture or entirely resale, to come next of master planning.

FORWARD LOOKING STATEMENTS

THE FOLLOWING INFORMATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS OF OUR MANAGEMENT. FORWARD-LOOKING STATEMENTS ARE STATEMENTS THAT ESTIMATE THE HAPPENING OF FUTURE EVENTS AND ARE NOT BASED ON HISTORICAL FACT. FORWARD-LOOKING STATEMENTS MAY BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY, SUCH AS "MAY," "COULD," "EXPECT," "ESTIMATE," "ANTICIPATE," "PLAN," "PREDICT," "PROBABLE," "POSSIBLE," "SHOULD," "CONTINUE," OR SIMILAR TERMS, VARIATIONS OF THOSE TERMS OR THE NEGATIVE OF THOSE TERMS. THE FORWARD-LOOKING STATEMENTS SPECIFIED IN THE FOLLOWING INFORMATION HAVE BEEN COMPILED BY OUR MANAGEMENT ON THE BASIS OF ASSUMPTIONS MADE BY MANAGEMENT AND CONSIDERED BY MANAGEMENT TO BE REASONABLE. OUR FUTURE OPERATING RESULTS, HOWEVER, ARE IMPOSSIBLE TO PREDICT AND NO REPRESENTATION, GUARANTY, OR WARRANTY IS TO BE INFERRED FROM THOSE FORWARD-LOOKING STATEMENTS.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discussion and analysis should be read in conjunction with the financial statements, including the notes thereto, appearing elsewhere in this report.

General

The Company was incorporated in the State of Nevada on June 7, 1996.

The Company was formerly in the printed circuit board manufacturing business but did not have any business operations since March 25, 2003. As of March 25, 2003, the Board of Directors determined to dispose of Advanced Technology, a wholly-owned subsidiary, by transferring to I.World Limited, the 82% shareholder of the Company, all of the Advanced Technology securities held by the Company in exchange for all of the securities of the Company held by I.World Limited (for cancellation). The exchange transaction closed as of March 25, 2003. After the exchange transaction closed, the Company did not have any business operations until late 2005.

On October 21, 2005, the Company entered into a Business Restructuring Agreement (the "Agreement") with Team Allied Profits Limited, a British Virgin Islands corporation (the "Consultant"). The Consultant was engaged by the Company to provide business restructuring services in order to solicit suitable businesses in Hong Kong or China with net asset values not less than \$4,000,000 for acquisitions by the Company in order to restructure its business operations.

On February 7, 2006, the Company purchased a Hong Kong corporation called RC Capital Limited ("RC Capital") for \$1.00 as a wholly-owned subsidiary. RC Capital was a dormant company with no assets and liabilities and was formerly known as Richley (China) Limited. There is no written agreement for the purchase of RC Capital. RC Capital is currently the Company's wholly owned operating subsidiary.

On April 9, 2006, the Company entered into a Sale and Purchase Agreement with RC Capital, Dalian Fengming International Recreation Town Co., Ltd. (“Dalian Fengming”) and Ms. Hoi-ho Kiu, CEO of the Company, which sets forth the terms and conditions of the acquisition of Dalian Fengming International Recreation Town Phase II (“Recreation Town”) in exchange for 28,000,000 shares of common stock in the Company. As of November 9, 2006, this transaction has not yet closed as the seller is waiting the re-listing of the common stock of the Company on the Over-the-Counter Bulletin Board to consider its possible fund raising ability to complete this real estate project.

On April 20, 2006, RC Capital purchased 3,000,000 shares of common stock of Automated Fabrication Systems Corporation (“AFS”), a British Virgin Islands corporation, for \$0.01 per share for a total of \$30,000 in cash and AFS became our 75% indirectly owned subsidiary. On April 20, 2006, AFS was a holding company with no operations. On April 22, 2006, AFS paid \$38,000 cash, principally from proceeds of its share sale, to the stockholders of Sino Asia Solution Limited, a Hong Kong corporation (“SAS”) to acquire 100% of the issued and outstanding common stock of SAS. This transaction was closed on April 25, 2006. There was no written agreement entered between AFS and the then stockholders of SAS, other than Instruments of Transfer of 200,000 shares, constituting 100% of the outstanding shares of SAS.

Plan of Operations

Recreation Town is a piece of undeveloped land of 1,000,000 square meters located in a peninsula in Dalian, China. Recreation Town was part of a large resort project originally planned to be developed by Dalian Fengming in 1992 which was never started due to lack of financing for development. According to Dalian Fengming, the current market value of Recreation Town is approximately RMB 600 million (approximately \$75,000,000).

There were never any operations conducted with Recreation Town. The Company plans to commence the development of Recreation Town in the near future. Accordingly, it is actively seeking equity and/or debt financing in an amount up to \$25,000,000, in order to finance the anticipated development costs.

The Company, through its new subsidiary, RC Capital, is offering the following services to clients in Hong Kong and China:

1. merger and acquisitions business opportunities;
2. equity or debt financing opportunities;
3. introduction of Hong Kong and/or United States listing professional parties including legal firms and accounting firms; and
4. financial reporting consultancy services for Hong Kong and/or United States listings.

As of the date of this Report, RC Capital has successfully been engaged as financial consultant of another client in China to provide the above services and recorded further revenues in this quarter.

As of the date of this Report, RC Capital, with the assistance from Team Allied Profits Limited, is negotiating a real estate project in Shanghai, China which may be suitable acquisition candidate for the Company. If this acquisition is successful, the Company will be required to raise additional funds to the extent of \$3 billion in the next 36 months for development costs of this real estate project. Again, this transaction has not yet closed as the seller is waiting the re-listing of the common stock of the Company on the Over-the-Counter Bulletin Board to consider its possible fund raising ability to complete this real estate project.

Management does not expect that the Company will incur significant research and development costs.

SAS, the wholly owned subsidiary of AFS, plans to commence business operations for the target market of mainland China. In the near future, SAS plans to translate its iRSS System into Chinese upgraded version. Accordingly, it is actively seeking equity financing in an amount up to \$2,000,000, in order to finance the anticipated research and development costs.

Results of Operations

The following table sets forth, for the periods indicated, the Company's selected financial information:

Consolidated Statement of Operations (unaudited, in USD)

	Three Months Ended March 31, 2007 (Unaudited)	Nine Months Ended March 31, 2007 (Unaudited)
Net sales	4,872	-
Cost of sales	-8,938	-
Gross profit	-4,066	-
Equity income from subsidiary	-	-
Shares issued for services	0	-
General and administrative expenses	-13,452	-10,590
Finance cost	-737	-
Income from operations	-18,255	-10,590
Income tax	-	-
Income before minority interests	-18,255	-10,590
Minority interest	0	-
Net income	-18,255	-10,590
Dividend	0	
Accumulated deficit, brought forward	180,712	-1,401
Retained earnings, carried forward	162,457	-11,991
Net loss per share		
- basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average of number of shares		
- basic	25,162,902	1,162,902
- diluted	25,301,083	1,301,083

138,181

Three Months ended March 31, 2007 as compared to nine months ended March 31, 2006 (Unaudited)

Revenues

The Company did not have any revenues in the nine months ended September 30, 2005 because the Company did not have any business operations from March 25, 2003 up to late 2005. After the acquisition of RC Capital on February 7, 2006, AFS on April 20, 2006, and SAS on April 25, 2006, the Company started to generate revenues for the three months ended March 31, 2007 and recorded net loss of \$18,255.

Cost of Sales

The Company did not have a cost of sales for the nine months ended September 30, 2005 because the Company did not have any business operations from March 25, 2003 up to late 2005. After the acquisition of RC Capital on February 7, 2006, AFS on April 20, 2006, and SAS on April 25, 2006, the Company incurred cost of goods sold for the nine months ended March 31, 2007 of \$8,938.

Operating Expenses

During the three months ended March 31, 2007, the Company's other general and administrative expenses increased to \$13,452 during the three months ended March 31, 2007 after the acquisition of RC Capital, AFS and SAS.

Income Taxes

The Company was not required to pay any income taxes during its last fiscal year as it did not have any income. Management of the Company believes that it will have to pay income taxes during the year ending December 31, 2006 because RC Capital and SAS are currently subject to a standard Hong Kong profits tax rate of 17.5% on its net assessable profits.

Net Income/Loss

Net loss for the nine months ended September 30, 2005 was \$0.00 because the Company did not have any business operations from March 25, 2003 to late 2005 as compared to a net loss of \$18,255 for the three months ended March 31, 2007 after the acquisition of RC Capital, AFS and SAS.

Liquidity And Capital Resources

The Company had cash or cash equivalents of \$14,860 on March 31, 2007 as a result of the acquisition of RC Capital, AFS and SAS compared to no cash or cash equivalents on March 31, 2006 when the Company did not have any business operations from March 25, 2003 to late 2005. Net cash used for operations amounted to (\$11,350) for the three months ended March 31, 2007.

As shown in the accompanying financial statements, now that the Company has acquired RC Capital, SAS and AFS, its working capital surplus has improved significantly to \$433,994 as of March 31, 2007. The Company may require additional financing in order to implement its various business plans through third party financing in the form of equity or debt financing. Particularly in light of the Company's limited operating history, there can be no assurance that the Company will be able to obtain the necessary additional capital on a timely basis or on acceptable terms, if at all. In any such event, the Company's growth and prospects would be materially and adversely affected. As a result of any such financing, the Company's shareholders may experience substantial dilution. In addition, results may be negatively impacted as a result of political and economic factors beyond management's control, as China is still a developing country and the Company's capital requirements may increase.

Critical Accounting Estimates

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As such, in accordance with the use of accounting principles generally accepted in the United States of America, our actual realized results may differ from management's initial estimates as reported. A summary of our significant accounting policies are detailed in the notes to the financial statements which are an integral component of this filing.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 3. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have designed such disclosure controls and procedures to ensure that material information is made known to them, particularly during the period in which this report was prepared. The Certifying Officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report and believe that the Company's disclosure controls and procedures are effective based on the required evaluation. During the period covered by this report, there were no changes in internal controls that materially effected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

To the best knowledge of management, there are no legal proceedings pending or threatened against the Company.

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

Pursuant to the Sale and Purchase Agreement for the acquisition of Recreation Town, the Registrant shall issue 18,000,000 shares and 10,000,000 shares of common stock to Ms. Hoi-ho Kiu and Dalian Fengming, respectively. The total fair market value of such shares is considered to be \$75,000,000. This transaction was exempt from the registration provisions of the Securities Act of 1933 (the "Act") by virtue of Section 4(2) of the Act as a transaction by an issuer not involving any public offering. The securities issued in this transaction were restricted securities as defined in Rule 144 of the Act. The Registrant believes that Ms. Hoi-hoi Kiu and Dalian Fengming are "accredited investors" under Rule 501 under Regulation D of the Act and had adequate access to information about the Registrant.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

There were no unregistered sales of equity securities during the period covered by this report that were not registered under the Securities Act of 1933, as amended.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCORE ONE, INC.

Date: May 8, 2007

By: /s/ Hoi-ho Kiu

Hoi-ho Kiu
Chief Executive Officer and Director