SCORE ONE INC
Form 10KSB/A
April 26, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 20549

FORM 10-KSB/A

AMENDMENT NO. 1

(Mark One)

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2001

or

[_] 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	88-0409164
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.

Unit 2, 34th Floor, Cable TV Tower
9 Hoi Shing Road
Tsuen Wan, Hong Kong
(Address of Principal Executive Offices)(Zip Code)

011-852-2406-8978
(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value $0.001

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 for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for past 90 days. Yes [X] No [_]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB, or any amendment to this Form 10-KSB. [X]

State issuer's revenue for its most recent fiscal year: $28,435,691

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity is sold, or the average bid and asked price of such common equity, as of a specified date within the past 60. days (See definition of affiliate in Rule 12b-2 of the Exchange Act.) As of April 10, 2002 the aggregate market value held by non-affiliates was $5,729,875.

APPLICABLE ONLY TO CORPORATE REGISTRANTS

State the number of share outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of April 10, 2002 there were 249,128 shares of Common Stock issued and outstanding.

Documents Incorporated by Reference:

None.

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Explanatory Note:

Score One Inc., pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, is hereby filing, under the cover of Form 10-KSB/A, Amendment No. 1, its Consolidated Financial Statements for the year ended December 31, 2001, for the sole purpose of correcting typographical errors contained in the Statement of Cash Flows and in Note 4 and Note 8 to the Consolidated Financial Statements. Specifically in the Consolidated Statements of Cash Flows, the (Increase) decrease in other receivables, deposits and prepayments for Year Ended December 31, 2001 should be "(288,154)" and the Net cash flows provided by (used in) operating activities for the Year Ended December 31, 2001 should be "3,306,110." The second sentence of the second paragraph of Note 4 to the Consolidated Financial Statements should read as follows:

> "December 31, 2000. The Company had banking facilities of $387,097 (HK$3,000,000). A balance of $95,491 was outstanding as of December 31, 2000. Borrowings under this facility bear interest at the prime rate plus 1/4% and are secured by the director's personal guarantee and property. The agreement expires on July 21, 2001."

Additionally, the second sentence of the first paragraph of Note 8 to the Consolidated Financial Statements should read as follows:

"Reverse Split On January 11, 2002, the Company completed a one for 80 reverse split of its outstanding common stock effective immediately thereby reducing the total outstanding shares to 249,125 shares outstanding. The reverse split was authorized by the Board of Directors and the Company filed articles of amendment with the State of Nevada to decrease the number of shares of common stock authorized to 515,625, with no change in par value. The financial statements have been adjusted retroactively to reflect the reverse split."

The foregoing corrections to the Consolidated Statements of Cash Flows and Note 4 and Note 8 to the Consolidated Financial Statements does not have any impact on reported earnings or earnings per share for any periods presented.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, this amendment contains the complete text of Item 7, the item being amended.

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Item 7. Financial Statements

SCORE ONE, INC. AND SUBSIDIARIES
Index to Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Score One, Inc.:

We have audited the consolidated balance sheets of Score One, Inc., a Nevada corporation, and subsidiaries ("the Company") as of December 31, 2001 and 2000 and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Score One, Inc. and subsidiaries at December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

/s/ Clancy and Co., P.L.L.C.

Clancy and Co., P.L.L.C.
Phoenix, Arizona

April 8, 2002

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SCORE ONE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2001 and 2000
(expressed in U.S. Dollars)

	De 2001
Assets	
Current assets:	
Cash and cash equivalents	$ 566,
Accounts receivable (net of allowance for doubtful accounts of $35,139 and $0 at December 31, 2001 and 2000, respectively)	6,105,
Other receivables, deposits and prepayments	291,
Inventories (Note 2)	982,
Total current assets	7,945,
Plant and equipment, net (Note 3)	3,654,
Deposit on investment (Note 1)	
Other investment (Note 1)	636,
Total assets	$12,235,
Liabilities and stockholders'equity	
Current liabilities:	
Short-term borrowings - bank (Note 4)	$ 977,
Accounts payable	1,861,
Other payables and accrued expenses (Note 1)	1,619,

Amount payable to stockholders (Note 7)	94,
Total current liabilities	4,552,
Long-term liabilities	
Income taxes payable (Note 5)	2,464,
Total liabilities	7,017,
Minority interest	1,235,
Commitments and contingencies (Note 4, 6)	
Stockholders' equity	
Preferred stock, $0.001 par value, authorized 5,000,000 shares, none issued	
Common stock: $0.001 par value, authorized 515,625; issued and outstanding: 249,198	
Additional paid-in capital	19,
Retained earnings	3,990,
Accumulated other comprehensive (loss)	(27,
Total stockholders' equity	3,983,
Total liabilities and stockholders' equity	$12,235,

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

SCORE ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2001 and 2000
(expressed in U.S. Dollars)

	Year Ended December 31	
	2001	2000
Net sales	$ 28,435,691	$ 20,400,
Cost of revenues	20,713,975	14,660,
Gross margin	7,721,716	5,739,
Selling expenses	(157,659)	(45,
General and administrative expenses	(1,778,184)	(1,348,
Impairment loss-other investment (Note 1)	(9,722,367)	
Amortization of goodwill	(1,114,805)	
Operating income (loss)	(5,051,299)	4,345,
Other income (expense):		
Interest income	2,104	

Other income	30,494	4,
Interest expense	(99,316)	(2,
Total other income (expense)	(66,718)	1,
Minority interest	(633,340)	
Net income (loss) from operations before income taxes	(5,751,357)	4,347,
Provision for income taxes (Note 5)	(614,868)	(376,
Income (loss) before extraordinary item	(6,366,225)	3,970,
Extraordinary item, gain on sale of 20% interest in subsidiary (Note 1)	4,013,693	
Net income (loss) available to common stockholders	$ (2,352,532)	$ 3,970,
Basic and diluted income (loss) per share		
Income (loss) before extraordinary gain	$ (25.55)	$ 15
Extraordinary gain	16.11	
Total	$ (9.44)	$ 15
Weighted average number of common shares outstanding: basic and diluted	249,198	249,

The accompanying notes are an integral part of these financial statements

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SCORE ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2001 and 2000
(expressed in U.S. Dollars)

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Retaine Earning
Balance, December 31, 1999	13	$ -	$ 1,000	$ 2,591,8
Effect of merger	(13)		(1,000)	1,0
Issuance of shares for score one transaction	203,750	204	16,096	(16,3
1.65 stock split adjusted original shares in connection with reverse merger	45,375	45	3,585	(3,6
Dividends declared	-	-	-	(200,0
Net income, year ended December 31, 2000	-	-	-	3,970,4
Balance, December 31, 2000	249,125	249	19,681	6,343,3
Net loss, year ended December 31, 2001	-	-	-	(2,352,5
Translation adjustments	-	-	-	

Share roundup	73	-	-	
Balance, December 31, 2001	249,198	$ 249	$ 19,681	$ 3,990,8

Note: The number of shares issued and outstanding has been restated to give retroactive effect for a reverse stock split on a 1 for 80 basis approved by the Board of Directors on January 11, 2002.

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

SCORE ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2001 and 2000
(expressed in U.S. Dollars)

	Year Ended December 31 2001	2000
Cash flows from operating activities:		
Net income (loss)	$ (2,352,532)	$ 3,970,
Adjustments to reconcile net income (loss) to		
Net cash provided by (used in) operating activities		
Minority interest	633,340	
Gain on sale of 20% interest of subsidiary	(4,013,693)	
Impairment loss	9,722,367	
Realized loss on investment	65,276	
Depreciation and amortization	2,281,409	1,020,
Loss on sale of fixed assets	0	53,
Provision for losses on receivables	35,139	116,
Translation adjustments	(27,060)	
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(4,348,924)	1,328,
(Increase) decrease in other receivables, deposits and prepayments	(288,154)	425,
(Increase) decrease in inventory	(384,160)	(6,
Increase (decrease) in accounts payable	419,330	(294,
Increase (decrease) in other payables and accrued expenses	137,867	130,
Increase (decrease) in income taxes payable	1,425,905	376,
Total adjustments	5,658,642	3,150,6
Net cash flows provided by (used in) operating activities	3,306,110	7,121,1
Cash flows from investing activities:		
Purchase of property and equipment	(1,592,849)	(1,957,
Deposit on investment	0	(3,380,
Purchase of subsidiary	(6,875,765)	
Proceeds from sale of 20% interest in lassie palace subsidiary	4,615,385	
Net cash flows provided by (used in) investing activities	(3,853,229)	(5,338,
Cash flows from financing activities:		
Borrowing on (repayment of) amount payable to stockholder	(8,208)	(552,
Net short term borrowings-bank	881,867	95,

Dividends paid	0	(1,200,
Net cash flows provided by (used in) financing activities	873,659	(1,657,
Increase in cash and cash equivalents	326,540	125,
Cash and cash equivalents, beginning of year	239,909	114,
Cash and cash equivalents, end of year	$ 566,449	$ 239,
Cash paid for:		
Interest	$ 99,316	$ 75,
Income taxes	$ -	$

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

SCORE ONE, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 1. ORGANIZATION, NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization. Score One, Inc. ("the Company") was initially incorporated in the State of Nevada on June 7, 1996. On March 10, 2000, the Company executed a Share Exchange Agreement with Advanced Technology International Holdings Limited ("Advanced Technology") and the sole stockholder of Advanced Technology pursuant to which 100% of the issued share capital of Advanced Technology was acquired by the Company, in exchange for 16,300,000 shares of the Company's $0.001 par value common stock, which were issued after a 1.65 for 1 forward stock split as discussed below.

On March 14, 2000, the Company effected a 1.65 for 1 forward stock split. After issuing 16,300,000 shares of the common stock to the original stockholder of Advanced Technology, the Company had a total of 19,930,000 shares of common stock issued and outstanding. For accounting purposes, the acquisition has been treated as the acquisition of the Company by Advanced Technology with Advanced Technology as the acquirer, a reverse merger. The historical financial statements prior to March 10, 2000 are those of Advanced Technology. All shares and per share data prior to the acquisition have been restated to reflect the stock issuance as a recapitalization of Advanced Technology.

Advanced Technology was incorporated in the British Virgin Islands on November 18, 1998, under the name of Modern Frame International Limited ("MFIL"). The name of MFIL was changed to Advanced Technology on December 23, 1999. The principal activity of Advanced Technology is to hold investments in subsidiaries.

On November 28, 1998, Advanced Technology acquired a 100% equity interest in a newly incorporated shell company, Ford Reach (H.K.) Limited ("Ford Reach") at a consideration of $129. Ford Reach is a limited liability company incorporated in Hong Kong.

On January 8, 1999, Advanced Technology, through its immediate subsidiary Lassie Palace Limited ("Lassie"), acquired a 100% equity interest in a newly incorporated shell company, Fortune (Conductive Carbon) PCB Factory Company Limited ("Fortune BVI") (formerly known as Goal Best Gold Limited) at a consideration of $100. The name change occurred on November 2, 1999. Fortune BVI is a limited liability company incorporated in the British Virgin Islands.

Pursuant to a purchase and sale agreement dated January 1, 1999, Ford Reach acquired substantially all the assets and assumed substantially all the liabilities of Fortune (Conductive Carbon) PCB Factory Company Limited ("Fortune (HK)"), a limited liability company incorporated in Hong Kong, in exchange for a note payable to Mr. Ho Wing Cheong in the amount of $1,731,664, which was the aggregate book value of assets acquired less liabilities assumed. Fortune HK is a Hong Kong-based company and wholly-owned by Mr. Ho Wing Cheong, now a director and stockholder of the Company. Advanced Technology believed that the $1,731,664 approximated the fair market value of assets acquired less liabilities assumed as of January 1, 1999. This company is considered to be the predecessor to the Company.

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Pursuant to a purchase and sale agreement dated January 1, 1999, Fortune BVI acquired certain plant and equipment from Dongguan Fortune Circuit Factory Co., Ltd. ("Dongguan Fortune") in exchange for a note payable and a dividend payable to Mr. Ho Wing Cheong of $1,890,962 and

$241,305, respectively, which was the aggregate book value of these assets as of January 1, 1999. Dongguan Fortune is a People's Republic of China ("China")-based company in which Mr. Ho Wing Cheong has a controlling interest. Based on the valuation report prepared by Messrs. LCH (Asia Pacific) Surveyors Limited dated May 3, 2000, Advanced Technology believed that the $1,890,962 approximated fair market value of those assets acquired as of January 8, 1999.

Both Ford Reach and Fortune BVI are engaged in the manufacture and sale of printed circuit boards for telecommunication systems, scientific calculators and audio visual equipment to companies in greater China. Ford Reach and Fortune BVI commenced operations on January 1, 1999 and January 8, 1999, respectively. On October 1, 1999, Ford Reach transferred all its assets and liabilities to Fortune BVI at their book values and has been dormant since then.

On January 23, 2001, the Company elected to change its fiscal year-end from May 31 to December 31.

On May 31, 2001, Advanced Technology purchased from Mr. Shum Kai Tong all of the issued and outstanding equity interests of World Top Development Ltd. ("World Top"), a company incorporated in the British Virgin Islands for a purchase price of $11,538,462 (HK$90,000,000). The only asset of World Top is a 100% equity interest in King Peace Ltd. ("King Peace"), a company incorporated in Hong Kong. In turn, the only asset of King Peace is all the registered capital of Jiangyin Jingtai Laminated Board Co. Ltd. ("Jiangyin") (formerly known as Jiangyin Kaicheng Copper Clad Laminated Sheet Co. Ltd.), a wholly foreign-owned enterprise established in China whose principal activities are the manufacture and sale of copper clad laminated sheets. Jiangyin is one of Advanced Technology's laminated sheet suppliers. Total purchases from Jiangyin for the years ended December 31, 2001 and 2000 were $1,628,243 (HK$12,700,298) and $893,955 (HK$6,928,154) representing 9.3% and 7.4%, respectively, of total Advanced Technology purchases. The purchase price was to be paid as follows: (i) $4,615,385 (HK$36,000,000) from the proceeds of a placement of shares of a newly formed indirect subsidiary of the company, (ii) $5,230,769 (HK$40,800,000) was previously paid by Advanced Technology prior to May 31, 2001 from the working capital of Advanced Technology, and (iii) the balance of $1,692,308 (HK$13,200,000) is scheduled to be paid in August 2002, but has been rescheduled to be paid in April 2002. Jiangyin showed no signs of turnaround after the acquisition on May 31, 2001, and recorded a loss in their statutory audited accounts for the year ended December 31, 2001. Additionally, Advanced Technology delegated the primary management and control to the local management and Advanced Technology does not control the board of Jiangyin and Advanced Technology does not finance its operations. Based on these factors, Advanced Technology's Board of Directors concluded that (1) consolidation of the operations of Jiangyin would be proper for the period from June 2001 to November 2001 and (2) the investment in Jiangyin be accounted for and classified as an other investment reduced to its estimated net realizable value which is based on the total investment cost of Jiangyin to the extent of net asset value of Jiangyin. Included in Other Payables and Accrued Expenses is the balance due on the Jiangyin acquisition totaling $1,282,051 (HK$10,000,000).

In May 2001 Advanced Technology sold 20% of the existing issued share capital of Lassie to four independent investors for an aggregate cash consideration of $4,615,385 (HK$36,000,000) and recognized a gain on the sale of $4,013,692.

Nature of Business. The Company, through its majority-owned subsidiary Advanced Technology, is engaged in the manufacturing and sale of printed circuit boards ("PCB") for telecommunication systems, scientific calculators and audiovisual equipment. PCB's are the basic platforms used to interconnect electronic components and can be found in virtually all electronic products, including consumer electronics, computers and automotive, telecommunications, industrial, medical, military and aerospace equipment. Advanced Technology's primary customers are original equipment manufacturers ("OEMs").

Summary of Significant Accounting Policies.

Basis of Accounting. The consolidated financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the Unites States.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of the Company and its majority-owned subsidiary Advanced Technology, which serves as a holding company for a group of subsidiaries. Advanced Technology's wholly-owned subsidiary is World Top Development Limited (British Virgin Islands), which owns 100% of King Peace Limited (Hong Kong). Advanced Technology's majority-owned subsidiary is Lassie Palace and its subsidiaries are Ford Reach (dormant), Fortune BVI, Fortune (HK) (dormant), Dongguan Fortune, and Horn Kingdom Limited (dormant). All significant intercompany transactions and balances have been eliminated in consolidation.

Foreign Currency Translation and Transactions. The functional currency of the Company is U.S. dollars (US$) and the financial records are maintained and the financial statements are prepared in US$. The functional currency of its subsidiaries is Hong Kong dollars (HK$). The assets and liabilities denominated in foreign currencies at the balance sheet date are translated into U.S. dollars at period-end exchange rates and resulting translation adjustments are included as a separate component of stockholders' equity. Revenues and expenses are translated at exchange rates ruling at the translation dates and transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, except those transactions which operate as a hedge of an identifiable foreign currency commitment or as a hedge of a foreign currency investment position, are included in the statement of operations as incurred. Exchange rates between US$ and HK$ were fairly stable during the periods presented. The rate ruling as of December 31, 2001 was US$1:HK$7.8 and as of December 31, 2000 was US$1:HK$7.75. Due to the stability of the exchange rates during the year ended December 31, 2000, there were no adjustments in the stockholders' equity.

Use of Estimates. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates included in the financial statements are the allowance for doubtful accounts, provision for inventory obsolescence and slow-moving items, and deferred income taxes. Actual results could differ from those estimates.

Cash and Cash Equivalents. Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

Revenue Recognition. Revenue from goods sold is recognized when title passes to the buyer, which is at time of delivery.

Accounts Receivable and Concentration of Credit Risk. During the normal course of business, the Company extends unsecured credit to its customers. The collectibility of debts owed by its customers depends substantially on the financial condition and cash flow position of its customers. The Company reviews regularly the credit status of each customer on an individual basis and the provision for doubtful accounts is recorded based on management's assessment of the credit status of its customers.

The Company has two suppliers that each account for more than 77% of total purchases, one of which is a related party (see Note 7). The Company relationships with these suppliers are good and it does not anticipate any material difficulties in obtaining raw materials from any suppliers in the near term, that being one year from the financial statement date.

Inventory. Inventories are stated at the lower of cost or market. Cost is computed using the first-in, first-out method and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Market value is determined by reference to the sales proceeds of items sold in the ordinary course of business after the balance sheet date or to management estimates based on prevailing market conditions.

Plant, Equipment and Depreciation. Plant and equipment are stated at cost. Depreciation is computed using the straight-line method to allocated the cost of depreciable assets over the estimated useful lives of the assets (in years) as follows:

Leasehold Improvements	10
Furniture and Fixtures	5
Machinery and Moulds	5
Transportation Equipment	5
Computer and Telephone Equipment	5

Machinery, repairs and minor renewals are charged directly to the statement of operations as incurred. Additions and betterments to plant and equipment are capitalized. When assets are disposed of, the related cost and accumulated depreciation thereon are removed from the accounts and any resulting gain or loss is included in the statement of operations.

Long-Lived Assets. The Company periodically reviews its long-lived assets for impairment based upon the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. When events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the asset is written down to its net realizable value.

Income Taxes. The Company and its subsidiaries account for income taxes using the liability method, which requires an entity to recognized deferred tax liabilities and assets. Deferred

income taxes are recognized based on the differences between the tax bases of assets and liabilities and their reported amounts in the financial statements which will result in taxable or deductible amounts in future years. Further, the effects of enacted tax laws or rate changes are included as part of deferred tax expenses or benefits in the year that covers the enactment in the near-future date. A valuation allowance will be provided when there is an uncertainty that a deferred tax benefit will be realized.

Fair Value of Financial Instrument. The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivables and accounts payable approximate their fair values because of the relatively short-term maturity of these instruments. The fair value of the Company's related party receivables and payables, and notes payable to the major beneficial stockholder cannot be determined due to the nature of the transactions.

Related Party. A related party is an entity that can control or significantly influence the management or operating policies of another entity to the extent one of the entities may be prevented from pursuing its own interests. A related party may also be any party the entity deals with that can exercise that control.

Earnings Per Share. Basic and diluted earnings or loss per share amounts in the financial statements are computed in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share." Basic earnings or loss per share is based on the weighted average number of common shares outstanding. Diluted earnings or loss per share is based on the weighted average number of common shares outstanding and dilutive common stock equivalents. Basic earnings/loss per share is computed by dividing net income/loss available to common stockholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period and excludes the dilutive effect of stock options and convertible debentures because to do so would be antidilutive. All per share and per share information are adjusted retroactively to reflect stock splits and changes in par value.

Comprehensive Income. The Company includes items of other comprehensive income by their nature, such as translation adjustments, in a financial statement and displays the accumulated balance of other comprehensive income separately from retained earnings in the equity section of the balance sheet.

Capital Structure. The Company discloses its capital structure in accordance with SFAS No. 129, "Disclosure of Information about Capital Structure," which established standards for disclosing information about an entity's capital structure.

Accounting for Derivative Instruments and Hedging Activities. In June 1998, the FASB issued SFAS No. 133. "Accounting for Derivative Instruments and Hedging

Activities," as amended by SFAS Nos. 137 and 138, which requires companies to recognize all derivative contracts as either assets or liabilities in the balance sheet and to measure them at fair value. SFAS No. 133 requires that changes in the derivatives fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains or losses to offset related results of operations in the income statement, and requires companies to formally document, designate, and access the overall effectiveness of transactions that receive hedge accounting. The implementation of the standards has no effect on the Company's financial statements.

Reclassification. Certain prior period amounts have been reclassified to conform to the current year presentation. These changes had no effect on previously reported results of operations or total stockholders' equity.

Recent Accounting Pronouncements. The FASB issued the following pronouncements during 2001, none of which are expected to have a significant affect on the financial statements:

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations." SFAS 141 requires the purchase method of accounting for business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets," which is effective January 1, 2002. SFAS 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. SFAS 142 also requires the Company to complete a transitional goodwill impairment test six months from the date of adoption.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "Accounting for Asset Retirement Obligations", which is effective for financial statements issued for fiscal years beginning after June 15, 2002. SFAS 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset.

In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets", which is effective for financial statements issued for fiscal years beginning after December 15, 2001. SFAS 144 requires that (a) impairment losses be recognized only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and (b) impairment losses be measured as the difference between the carrying amount and fair value of the asset. In addition, SFAS 144 retains existing accounting provisions for the presentation of discontinued operations in the income statement but broadens that presentation to include a component of an entity (rather than a segment of a business).

Pending Accounting Pronouncements. It is anticipated that current pending accounting pronouncements will not have an adverse impact on the financial statements of the Company.

NOTE 2. INVENTORIES

Inventories consist of the following at December 31:

	2001	2000
Raw materials	$ 917,755	$ 540,557
Work-in-progress	64,638	57,676
	$ 982,393	$ 598,233

NOTE 3. PLANT AND EQUIPMENT, NET

Plant and equipment consists of the following at December 31:

	2001	2000
Leasehold improvements	$ 414,320	$ 408,852
Furniture and fixtures	240,132	227,021
Machinery and moulds	7,227,817	5,662,862
Transportation equipment	60,403	51,088
Total	7,942,672	6,349,823
Less accumulated depreciation	4,288,612	3,122,008
Net book value	$3,654,060	$3,227,815

Depreciation charged to expense during the years ended December 31, 2001 and 2000 was $1,166,604 and $1,020,528, respectively.

NOTE 4. SHORT-TERM BORROWINGS-BANK

December 31, 2001 - The Company had banking facilities of $1,282,051 (HK$10,000,000). A balance of $977,358 (HK$7,623,395) was outstanding as of December 31, 2001. Borrowings under this facility bear interest at HK$ prime rate per annum or 1% over HIBOR, whichever is higher and base rate per annum for foreign currency, including overdraft fees computed at 0.25% per annum over HK$ prime rate or 1% per annum over HIBOR, whichever is higher. The banking facilities are secured against a corporate guarantee executed by Fu Cheong International Holdings, Ltd. The agreement expires on June 30, 2002 and it is management's expectation that the agreement will be renewed by the bank or that a similar arrangement with another lender will be concluded.

December 31, 2000 - The Company had banking facilities of $387,097 (HK$3,000,000). A balance of $95,491 was outstanding as of December 31, 2000. Borrowings under this facility bear interest at the prime rate plus 1/4% and are secured by the director's personal guarantee and property. The agreement expires on July 21, 2001.

NOTE 5. INCOME TAXES

Tax in the consolidated statements of operations represents the following at December 31:

	2001	2000
Current year income tax - overseas	$ 614,868	$ 376,678

Overseas taxation has been calculated on the estimated assessable profits for the year at the rate of taxation prevailing in the countries in which the Company operates (10% Gross Profits Tax and 5% Business Tax on Sales). No provision for Hong Kong profits tax has been made as the

income of the Company is derived from sources outside Hong Kong and is not subject to Hong Kong Profits tax.

Although the Company's activities are conducted in Hong Kong and China and the activities of the Company and those of its customers are based in Hong Kong and China, the Company has determined that it is not liable for taxation in either Hong Kong or China. The Company's financial statements at December 31, 2001 and 2000 include a full provision for potential tax liabilities of $2,464,615 and $1,038,710, respectively. In the event China business and/or income taxes become payable, a statutory maximum surcharge could be assessed to the Company for late payment of taxes. The Company intends to calculate a provision for income taxes for each period presented and does not anticipate the cumulative provision to be reversed in the near term.

The Company has not made any tax filings to any tax authorities in China or the Hong Kong Inland Revenue Department ("IRD"). The tax regulatory regimes, the prevailing tax rates and the interpretations of any tax regulations by these authorities may change from time to time, and accordingly, may have an impact on the Company's tax provision, which may or may not be adequate.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Lease Agreements. On August 1, 2000, the Company entered into a rental agreement for the lease of office space for two years with Grand Link International Limited of which Mr. Ho Wing Cheong, director and stockholder of the Company, is a stockholder and director. In addition, the Company entered into a rental agreement which is an industrial building and a dormitory building, Ailingkan Management District, Dalingshan Town, Dongguan, Guangdong Province, the PRC for twelve years.

As of December 31, 2001, the Company had commitments under a noncancelable operating lease expiring in excess of one year amounting to $314,123.

Future minimum rental payments for each of the next five years are:

2002	$87,637
2003	$69,688
2004	$69,688
2005	$69,688
2006	$17,422

NOTE 7. RELATED PARTY TRANSACTIONS

The Company had the following transactions with related parties under normal commercial terms and in the ordinary course of business during the periods presented:

Revenues. Sales of printed circuit boards to a substantial stockholder, Yue Fung Development Limited (YFD), during the years ended December 31, 2001 and 2000 were $430,599 (HK$3,358,669) and $736,982 (HK$5,711,616), respectively, representing 1.5% and 3.6% of total sales for the years then ended.

Purchases. Purchases from Jiangyin were $1,628,243 (HK$12,700,298) and $893,955 (HK$6,928,154) for the years ended December 31, 2001 and 2000, respectively, representing 9.3% and 7.4% of total sales for the years then ended.

Rent Expense. Amounts paid to a company controlled with a common director and stockholder of the Company for the years ended December 31, 2001 and 2000 were $36,036 and $16,397, respectively.

Amounts due to Related Party. As of December 31, 2001 and 2000, amounts due to a director and stockholder were $94,073 and $102,281. The amounts are unsecured, interest-free and repayable on demand.

NOTE 8. SUBSEQUENT EVENT

Reverse Split. On January 11, 2002, the Company completed a one for 80 reverse split of its outstanding common stock effective immediately thereby reducing the total outstanding shares to 249,125 shares outstanding. The reverse split was authorized by the Board of Directors and the Company filed articles of Amendment with the state of Nevada to decrease the number of shares of common stock authorized to 515,625, with no change in par value. The financial statements have been adjusted retroactively to reflect the reverse split.

Corporate Reorganization. On March 6, 2002, the Company underwent a corporate reorganization in preparation for the listing of shares on the Honk Kong Stock Exchange in which Fu Cheong International Holdings Limited ("Fu Cheong") was listed and became the holding company for Lassie and its subsidiaries. Fu Cheong is a limited liability company incorporated in the Cayman Islands on May 23, 2001. Fu Cheong completed an offering in Hong Kong of 300,000,000 of its shares at a price of US$.025641 per share. In connection with the offering, Fu Cheong obtained a listing for its shares on the Main Board of the Hong Kong Stock Exchange. After the completion of the offering, Score One will own, through its Advanced Technology subsidiary, 696,000,000 shares, representing 58% of the common shares of Fu Cheong. Based upon the offering price, Score One will own Fu Cheong shares having a current market value of over $17 million which will be freely saleable after the expiration of a six month lock-up period.

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Signatures.

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCORE ONE, INC.

Dated: April 26, 2002

/s/ Wing Hung Ho

Wing Hung Ho, Director and Secretary