

**HI SCORE CORPORATION AND SUBSIDIARY**  
**BALANCE SHEETS**  
**(UNAUDITED)**

	<b>September 30, <u>2013</u></b>	<b>December 31, <u>2012</u></b>
<b><u>Assets</u></b>		
<b><u>Current assets:</u></b>		
Cash	\$ 6,544	\$ 549
Accounts receivable	44,838	28,978
Inventory	228,725	247,308
<b>Total current assets</b>	<b><u>280,107</u></b>	<b><u>276,835</u></b>
 <b>Property, plant and equipment, net</b>	 <b><u>1,843</u></b>	 <b><u>2,457</u></b>
 <b><u>Other assets:</u></b>		
Goodwill, net of amortization	25,317	26,867
<b>Total other assets</b>	<b><u>25,317</u></b>	<b><u>26,867</u></b>
 <b>Total assets</b>	 <b><u>\$ 307,267</u></b>	 <b><u>\$ 306,159</u></b>
 <b><u>Liabilities and Shareholders' Deficit</u></b>		
<b><u>Current liabilities:</u></b>		
Accounts payable	\$ 92,383	\$ 90,963
Accrued expenses	187,208	292,098
<b>Total current liabilities</b>	<b><u>279,591</u></b>	<b><u>383,061</u></b>
 <b>Convertible long term debt</b>	 <b><u>669,388</u></b>	 <b><u>346,149</u></b>
 <b>Total liabilities</b>	 <b><u>948,979</u></b>	 <b><u>729,210</u></b>
 <b><u>Shareholders' deficit:</u></b>		
Preferred stock, par value \$0.0001, 10 million shares authorized, 1 million shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	100	100
Common stock, par value \$0.000001, 6 billion shares authorized, 2,300,238 and 3,883,456,257 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	2	3,883
Additional paid in capital	1,777,272	1,772,679
Retained deficit	(2,419,086)	(2,199,713)
<b>Total shareholders' deficit</b>	<b><u>(641,712)</u></b>	<b><u>(423,051)</u></b>
 <b>Total liabilities and shareholders' deficit</b>	 <b><u>\$ 307,267</u></b>	 <b><u>\$ 306,159</u></b>

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

**HI SCORE CORPORATION AND SUBSIDIARY**  
**STATEMENTS OF OPERATIONS**  
**FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012**  
**(UNAUDITED)**

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b><u>September 30,</u></b>		<b><u>September 30,</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Sales	\$ 37,165	\$ 128,586	\$ 3,850	\$ 17,069
Cost of sales	<u>18,583</u>	<u>83,354</u>	<u>1,925</u>	<u>8,535</u>
<b>Gross profit</b>	<b><u>18,582</u></b>	<b><u>45,232</u></b>	<b><u>1,925</u></b>	<b><u>8,534</u></b>
 <b><u>Operating expenses:</u></b>				
Salaries and benefits	149,991	180,670	47,150	57,559
Professional fees	8,001	34,252	5,810	19,678
General and administrative	7,560	25,305	3,399	9,279
Selling expenses	<u>-</u>	<u>2,456</u>	<u>-</u>	<u>754</u>
<b>Total operating expenses</b>	<b><u>165,552</u></b>	<b><u>242,683</u></b>	<b><u>56,359</u></b>	<b><u>87,270</u></b>
 Interest	 70,238	 95,898	 23,457	 18,248
Depreciation and amortization	<u>2,164</u>	<u>2,730</u>	<u>721</u>	<u>721</u>
<b>Total expenses</b>	<b><u>237,954</u></b>	<b><u>341,311</u></b>	<b><u>80,537</u></b>	<b><u>106,239</u></b>
 <b>Net loss</b>	 <b><u>\$ (219,372)</u></b>	 <b><u>\$ (296,079)</u></b>	 <b><u>\$ (78,612)</u></b>	 <b><u>\$ (97,705)</u></b>

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**HI SCORE CORPORATION AND SUBSIDIARY**  
**STATEMENT OF SHAREHOLDERS' DEFICIT**  
**AS OF SEPTEMBER 30, 2013**  
**(UNAUDITED)**

	<u>Preferred stock</u>		<u>Common stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid in</u> <u>Capital</u>	<u>Deficit</u>	<u>Deficit</u>
<b>Balance at December 31, 2010</b>	<b>1,000,000</b>	<b>\$ 100</b>	<b>2,252,374,632</b>	<b>\$ 225,237</b>	<b>\$ 851,167</b>	<b>\$ (1,184,779)</b>	<b>\$ (108,275)</b>
Preferred stock conversion			200,000,000	20,000	(20,000)	-	
Debt converted to equity	-	-	3,630,863,794	363,086	18,575	-	
Proceeds from issuance of common shares	-	-	3,155,515,143	315,552	21,729	-	
Effect of stock split	-	-	(5,700,742,648)	(570,074)	570,074	-	
Prior period adjustment	-	-	-	-	(157,808)	-	
Net loss	-	-	-	-	-	(835,418)	
<b>Balance at December 31, 2011</b>	<b>1,000,000</b>	<b>100</b>	<b>3,538,010,921</b>	<b>353,801</b>	<b>1,283,737</b>	<b>(2,020,197)</b>	<b>(382,559)</b>
Effect of stock split	-	-	(3,534,472,910)	(353,447)	353,447	-	
Effect of par value change	-	-	-	(123,895)	123,895	-	
Shares issued for services rendered	-	-	469,419,869	46,942	3,937	-	
Debt converted to equity	-	-	3,410,498,377	80,482	7,663	-	
Sale of subsidiary						158,681	
Net loss	-	-	-	-	-	(338,197)	
<b>Balance at December 31, 2012</b>	<b>1,000,000</b>	<b>100</b>	<b>3,883,456,257</b>	<b>3,883</b>	<b>1,772,679</b>	<b>(2,199,713)</b>	<b>(423,051)</b>
Debt converted to equity	-	-	717,020,300	717	-	-	
Effect of stock split	-	-	(4,598,176,319)	(4,598)	4,593	-	
Net loss for the period	-	-	-	-	-	(219,373)	
<b>Balance at September 30, 2013</b>	<b>1,000,000</b>	<b>\$ 100</b>	<b>2,300,238</b>	<b>\$ 2</b>	<b>\$ 1,777,272</b>	<b>\$ (2,419,086)</b>	<b>\$ (641,712)</b>

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

**HI SCORE CORPORATION AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012**  
**(UNAUDITED)**

	<b>September 30,</b>	
	<b>2013</b>	<b>2012</b>
<b><u>Cash flow from operating activities:</u></b>		
Net loss	\$ (219,372)	\$ (296,079)
<b>Adjustments to reconcile net loss to net cash used in operating activities</b>		
Depreciation and amortization	2,164	2,730
<b><u>(Increase) decrease in:</u></b>		
Accounts receivable	(15,860)	(3,712)
Inventory	18,583	19,279
Prepaid assets	-	1,250
<b><u>Increase in:</u></b>		
Accounts payable and accrued expenses	192,257	209,315
<b>Cash used in operating activities</b>	<b>(22,228)</b>	<b>(67,217)</b>
<b><u>Cash flow from investment activities:</u></b>		
Purchase of property, plant and equipment	-	-
<b>Cash used in investment activities</b>	-	-
<b><u>Cash flow from financing activities:</u></b>		
Proceeds received from issuance of convertible debt	28,223	-
Net effect of subsidiary sale	-	14,056
Proceeds received from sale of equity securities	-	38,000
<b>Cash provided by financing activities</b>	<b>28,223</b>	<b>52,056</b>
<b>Net decrease in cash</b>	<b>5,995</b>	<b>(15,161)</b>
Cash at beginning of period	549	18,159
<b>Cash at end of period</b>	<b>\$ 6,544</b>	<b>\$ 2,998</b>
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
<b><u>Supplemental schedule of non cash transactions:</u></b>		
Debt converted to equity	\$ 717	\$ 109,759
Conversion of accrued expense to debt	\$ 295,728	
Effect of stock split	\$ 4,598	\$ 353,447

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