Carpincho Capital Corp.

(formerly High Income Preferred Shares Corporation)

Unaudited Interim Financial Statements

For the Three and Six Months Ended
December 31, 2010

NOTICE

The accompanying unaudited interim financial statements of Carpincho Capital Corp. for the three and six month periods ended December 31, 2010 have been prepared by management and have not been reviewed by the external auditors of the Corporation.

Carpincho Capital Corp.
Balance Sheets
As at December 31, 2010 (unaudited) (with comparative figures as at June 30, 2010 (audited))

	December 31, 2010	June 30, 2010
Assets		
Current		
Cash and cash equivalents	$ **10,085**	$ 68,387
Refundable taxes	**4,338**	-
	$ **14,423**	$ 68,387
Liabilities		
Current		
Accrued liabilities (Note 7)	**37,700**	26,008
	37,700	26,008
Shareholders' Equity		
Capital stock (Note 8)	**1,000**	1,000
Retained earnings (deficit)	**(24,277)**	41,379
	(23,277)	**42,379**
	$ **14,423**	$ 68,387

Nature of Operations (Note 1)

Subsequent events (Note 9)

Approved by the Board *(signed) "Lonnie Kirsh"* Director *(signed) "Robyn Levine"* Director

Carpincho Capital Corp.

Statement of Operations and Deficit
For the Three and Six Months Ended December 31, 2010*
(unaudited)

	Three Months Ended December 31, 2010	Six Months Ended December 31, 2010
Revenues		
Interest	$ -	$ -
Dividends	-	-
Other income	904	904
Expenses		
Management fees	-	42,238
General and administrative	6,141	6,141
Audit fees	-	5,620
Regulatory filing fees	-	4,819
Legal fees	7,742	7,742
	13,883	66,560
Net loss	(12,979)	(65,656)
Deficit (equity) at beginning of period	(11,298)	41,379
Deficit at end of period	(24,277)	(24,277)
Basic and diluted loss per share	(12.98)	(65.66)
Weighted average number of Class A shares outstanding	1,000	1,000

*** comparative figures were not prepared and are not available for the corresponding periods in the prior year**.

High Income Preferred Shares Corporation

Statement of Cash Flows
For the Three and Six Months Ended December 31, 2010*
(unaudited)

	Three Months Ended December 31, 2010	Six Months Ended December 31, 2010
Cash flows from operating activities		
Net loss for the period	$ (12,979)	$ (65,656)
	(12,979)	(65,656)
Changes in non-cash working capital items		
Refundable taxes	(892)	(4,338)
Accrued liabilities	(38,424)	11,692
	(39,316)	7,354
Cash flows from investing activities	-	-
Increase (decrease) in cash during the period	(52,295)	(58,302)
Cash at the beginning of the period	62,379	68,387
Cash at end of the period	$ 10,085	$ 10,085
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	-	-
Income tax paid	(904)	(904)

***comparative figures were not prepared and are not available for the corresponding periods in the prior year**

1. NATURE OF OPERATIONS

The Corporation was incorporated under the Canada Business Corporations Act on April 26, 2002 and is engaged in venture capital activities. The Corporation intends to identify and evaluate opportunities for the acquisition of an interest in properties, assets or businesses, and once identified and evaluated, to negotiate an acquisition thereof, merger with or participation therein.
There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation or once identified, conclude a merger or acquisition transaction. Furthermore, the Corporation has limited working capital to pursue such opportunities. The ability of the Corporation to continue as a going concern is dependant upon, among other things, being able to obtain adequate financing, and maintaining positive operating cash flows. Additionally, if the Corporation requires additional cash resources to fund current operations, there is no assurance that it will be able to obtain these required cash resources. However, management has assessed the Corporation's ability to continue as a going concern and determined that the Corporation will continue for the foreseeable future subject to the material uncertainties listed above. Therefore, the financial statements do not include any adjustments to reflect the possible future effects on the effects on the recoverability and classification of assets or amounts and classifications of liabilities that may result from the possible inability of the Corporation to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have been prepared using careful judgment and within the framework of the significant policies summarized in the notes to the Corporation's financial statements for the year ended June 30, 2010.

3. CAPITAL RISK MANAGEMENT

The Corporation's financial instruments consisting of cash and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Corporation is not exposed to significant interest risk, currency or credit risks arising from these financial instruments.

The Corporation includes equity, comprised of issued capital stock, contributed surplus and deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying and evaluating assets or businesses to merge with or acquire. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or debt.

There has been no change with respect to the overall capital risk management strategy during the three months ended December 31, 2010.

4. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consisting of cash, short-term investments and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Corporation is not exposed to significant interest risk, currency or credit risks arising from these financial instruments.

As at December 31, 2010, the Corporation had a working capital deficiency of $23,277 (June 30, 2010 – positive working capital of $42,379). As a result, the Corporation will require additional financing to meet its ongoing obligations and its business objectives.

5. ADOPTION OF NEW ACCOUNTING POLICIES

Goodwill and Intangible Assets

Effective April 1, 2009, the Corporation adopted the new CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". The adoption of this standard did not have any impact on the Corporation's financial statements.
In December 2009, the CICA issued EIC 175, Multiple Deliverable Revenue Arrangements, replacing EIC 142, Revenue Arrangements with Multiple Deliverables. This abstract was amended to: (1) provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) require, in situations where a vendor does not have vendor-specific objective evidence or third-party evidence of selling price, that the entity allocate revenue in an arrangement using estimated selling prices of deliverables; (3) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method; and (4) require expanded qualitative and quantitative disclosures regarding significant judgments made in applying this guidance. The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after April 1, 2011, with early adoption permitted. The Corporation adopted EIC 175 early and has applied it retrospectively. The adoption of this standard did not have any impact on the Corporation's financial statements.

6. RECENT ACCOUNT PRONOUNCEMENT, NOT YET ADOPTED

Section 1582 Business Combinations

This section replaces CICA Section 1581 "Business Combinations" and improves the relevance, reliability and comparability of the information that the entity provides in its financial statements about a business combination and its effects. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted.

Section 1601 Consolidations and Section 1602 Non-controlling Interests

The CICA Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are applicable to interim and annual financial statements of the Corporation beginning on April 1, 2011.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the year ended June 30, 2011 and earlier where applicable. While the Corporation has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

7. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties. Related party transactions have been listed below, unless they have been disclosed elsewhere in the financial statements.
During the three month period ended December 31, 2010 the Corporation incurred legal fees from a law firm in which a director and officer of the Corporation is a director, officer and shareholder in the amount of $7,742. An amount of $8,749 (including applicable taxes) is included in accrued liabilities for these fees.

8. AUTHORIZED AND ISSUED SHARE CAPITAL

Authorized Share Capital

An unlimited number of Class A Shares, Series 1 Shares, Series 2 Shares and Equity Shares.

Issued Share Capital

The issued share capital as at September 30, 2010 and June 30, 2010 is as follows: 1,000 Class A shares, no Series 1 Shares, no Series 2 Shares and no Equity Shares.

9. SUBSEQUENT EVENTS

On January 20, 2011 the articles of the Corporation were amended to: (i) change the name of the Corporation to "Carpincho Capital Corp."; (ii) eliminate all classes of share capital of the Corporation and replace them with one class of Common Shares; and (iii) reclassify each issued and outstanding Class A Share as 5,000 Common Shares.