

EMAX COMPUTER SYSTEMS INC.

Balance Sheet

August 31, 2008, with comparative figures for 2007, unaudited - see Notice To Reader

	2008	2007
Assets		
Current assets		
Cash	\$ 72,913	\$ 105,233
Accounts receivable	2,555	3,126
Prepaid expenses	1,200	1,200
	76,668	109,559
Investment		
Capital assets (Note 2)	50,000	50,000
	2,746	1,537
	\$ 129,414	\$ 161,096
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,841	\$ 1,653
Due to shareholders (Note 3)	4,071	4,730
	6,912	6,383
Shareholders' equity		
Share capital (Note 4)	30	30
Retained earnings	122,472	154,683
	122,502	154,713
	\$ 129,414	\$ 161,096

See accompanying notes to the financial statements.

EMAX COMPUTER SYSTEMS INC.

Statement of Loss and Retained Earnings

Year ended August 31, 2008, with comparative figures for 2007, unaudited - see Notice To Reader

	2008	2007
Revenue		
Fees	\$ 2,789	\$ 3,091
Expenses		
Amortization	1,029	825
Bad debts	600	-
Bank charges and interest	228	553
Loss on foreign exchange	91	32
Office	3,163	3,484
Professional fees	1,200	1,500
Salaries and benefits	-	26,813
Supplies	1,089	21
	7,400	33,228
Loss before income taxes	(4,611)	(30,137)
Income taxes (recovery)	-	(1,886)
Net loss	(4,611)	(28,251)
Retained earnings, beginning of year	154,683	203,634
Dividends	(27,600)	(20,700)
Retained earnings, end of year	\$ 122,472	\$ 154,683

See accompanying notes to the financial statements.

EMAX COMPUTER SYSTEMS INC.

Notes to the Financial Statements

August 31, 2008, with comparative figures for 2007, unaudited - see Notice To Reader

1. Significant accounting policies

The financial statements reflect the following policies:

Investment

The investment is stated at cost.

Capital assets

Computer hardware Class 10 and Computer hardware Class 45 is stated at cost and is amortized annually using the declining balance method at the rate of 30% and 45% respectively. One-half of the annual amount is claimed in the year of acquisition.

2. Capital assets

		2008		2007	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Computer hardware Cl. 10	\$ 28,922	\$ 28,145	\$ 777	\$ 1,111	
Computer hardware Cl. 45	3,238	1,269	1,969	426	
	\$ 32,160	\$ 29,414	\$ 2,746	\$ 1,537	

3. Due to shareholders

This amount is non-interest bearing. As the shareholders have indicated that it is not their intention to demand repayment before September 1, 2007, the amount has been excluded from current liabilities.

EMAX COMPUTER SYSTEMS INC.

Notes to the Financial Statements, page 2

August 31, 2008, with comparative figures for 2007, unaudited - see Notice To Reader

4. Share capital

Authorized

- An unlimited number of Class A Common shares
- An unlimited number of Class B Common shares
- An unlimited number of Class C Common shares
- An unlimited number of First Special shares

Issued

		2008	2007
1,000	Class A Common shares	\$ 10	\$ 10
1,000	Class B Common shares	10	10
100,000	First Special shares	10	10
		\$ 30	\$ 30
