

EMAX COMPUTER SYSTEMS INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited – See Notice To Reader)

August 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES.

Amortization charges are calculated at the following annual rates:

Computer hardware class 10	30% declining basis
Computer hardware class 45	45% declining basis

At the year of purchase half of the above rates are used

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2009	2008
	\$	\$	\$	\$
Computer class 10	28,922	28,378	544	777
Computer class 45	<u>3,238</u>	<u>2,155</u>	<u>1,083</u>	<u>1,969</u>
	<u>32,160</u>	<u>30,533</u>	<u>1,627</u>	<u>2,746</u>

3. SHAREHOLDER'S LOAN

The shareholder's loan does not accrues interest and has no set date of repayment.

4. CAPITAL STOCK

Authorized unlimited common shares. Class A, B, C, and first special shares

Issued	2009	2008
	\$	\$
1,000 shares of class A common shares	10	10
1,000 shares of class A common shares	10	10
100,000 First special shares	<u>10</u>	<u>10</u>
	<u>30</u>	<u>30</u>

5. LOSSES CARRIED FORWARD FOR INCOME TAX PURPOSES

The company has \$29,901 in non-capital losses carried forward for income tax purposes. The losses expire: in 2017: \$30,314. in 2018: \$4,753 and in 2019: \$4,807
The company has a capital loss carried forward in the amount of: \$50,000

ISSIE RABINOWITZ
Chartered Accountant