

**ASIAPAC CAPITAL SERVICES LTD.  
GROUP OF COMPANIES  
CONSOLIDATED FINANCIAL STATEMENTS**  
Unaudited - See Notice to Reader  
**AUGUST 31, 2010**

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## NOTICE TO READER

On the basis of information provided by the management, I have compiled the consolidated Balance sheet of Asiapac Capital Services Ltd., for the group of companies as at August 31, 2010, and the consolidated statement of income and retained earnings for the period then ended.

I have not performed an audit or review engagement in respect of these financial statements and accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.



Lawrence Chan  
Certified Management Accountant

Toronto, December 28, 2010

**ASIAPAC CAPITAL SERVICES LTD.**  
**GROUP OF COMPANIES**  
**CONSOLIDATED BALANCE SHEET**  
 Unaudited - See Notice to Reader  
**AS AT AUGUST 31, 2010**

(Expressed in Canadian Dollars)

	NOTES	2010 CONSOLIDATED	2010	2009
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash in Bank and at Hands		\$ 13,295	\$ -	\$ 2,211
Accounts Receivable		4,956	4,956	1,500
Taxes Recoverable		12,195	848	5,250
Notes Receivable	3)	720,874	237,212	255,081
Calls & Allotments Receivable		-	-	4,684,400
Due from Corporate Shareholders		-	-	15,278
Due from Related Canadian Corporations		693,210	431,256	409,131
Prepayments and Sundry Deposits		73,132	13,500	1,500
		<b>1,517,662</b>	<b>687,772</b>	<b>5,374,351</b>
<b>FIXED</b>				
At Cost	2)	\$ 1,576,583	\$ 1,576,583	\$ 1,576,583
Less Accumulated Amortization		(202,308)	(202,308)	(132,709)
		<b>1,374,275</b>	<b>1,374,275</b>	<b>1,443,874</b>
<b>OTHERS</b>				
Goodwill		\$ 135	\$ 135	\$ 135
Incorporation Costs		11,115	157	157
Investment in Canadian Corporations, at equity	4)	-	820,190	486,000
Shares in related Foreign Corporation, at costs	5)	539,126	310,756	310,756
		<b>550,376</b>	<b>1,131,238</b>	<b>797,048</b>
<b>TOTAL ASSETS</b>		<b>\$ 3,442,313</b>	<b>\$ 3,193,285</b>	<b>\$ 7,615,273</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Bank Overdrawn		\$ 19,462	\$ 19,462	\$ -
Accounts Payable and accrued liabilities		89,408	8,641	8,484
Taxes payable		582	582	906
Current Portion of Long Term Debts		31,673	31,673	31,673
Due to Directors		786,926	604,176	514,371
Due to Related Canadian Corporations		442,388	325,163	-
		<b>1,370,439</b>	<b>989,697</b>	<b>555,434</b>
<b>NON-CURRENT LIABILITIES</b>				
Mortgage Payable	6)	\$ 1,021,457	\$ 1,021,457	\$ 1,088,897
		<b>1,021,457</b>	<b>1,021,457</b>	<b>1,088,897</b>
<b>TOTAL LIABILITIES</b>		<b>\$ 2,391,896</b>	<b>\$ 2,011,154</b>	<b>\$ 1,644,331</b>
<b>SHAREHOLDERS' EQUITIES</b>				
COMMON SHARES		\$ 1,600,000	1,600,000	3,990,000
GENERAL RESERVE		-	-	2,294,400
RETAINED EARNINGS		(549,718)	(418,004)	(313,593)
PREMIUM ON ACQUISITION		135	135	135
		<b>\$ 1,050,417</b>	<b>\$ 1,182,131</b>	<b>\$ 5,970,942</b>
<b>APPROVED ON BEHALF OF THE BOARD OF DIRECTORS</b>				
_____ Director				
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITIES</b>		<b>\$ 3,442,313</b>	<b>\$ 3,193,285</b>	<b>\$ 7,615,273</b>

**ASIAPAC CAPITAL SERVICES LTD.**  
**GROUP OF COMPANIES**  
**CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS**  
Unaudited - See Notice to Reader  
**FOR THE YEAR ENDED AUGUST 31, 2010**  
(Expressed in Canadian Dollars)

	NOTES	2010 CONSOLIDATED	2010	2009
<b>REVENUE</b>				
Income from Related Corporations		\$ 7,919	\$ 51,400	\$ 83,659
Other income		82,967	82,967	37,800
		90,886	134,367	121,459
<b>OPERATING EXPENSE</b>				
Advertising		69,242	50,096	70
Amortization		69,598	69,598	69,773
Business taxes and licence		7,505	7,505	16,655
General and administrative		39,184	34,934	10,400
Insurance		6,437	6,437	9,764
Interest and bank charge		48,490	48,197	98,546
Professional Fee		42,893	10,215	29,279
Rental		8,483	8,483	9,254
Repairs and maintenance		-	-	491
Telephone and communication		2,500	-	1,008
Travel		2,601	2,601	-
Utilities		712	712	1,055
		297,645	238,778	246,295
<b>GROSS INCOME/(LOSS) BEFORE INCOME TAX</b>		(275,252)	(104,411)	(124,836)
PROVISION FOR LOSSES FROM SUBSIDIARIES/AFFILIATES		-	-	-
REALIZED LOSS FROM DISPOSAL OF INVESTMENT		-	-	(11,042)
PROVISION FOR INCOME TAX		-	-	-
Current		-	-	-
<b>NET INCOME/(LOSS)</b>		\$ (275,252)	\$ (104,411)	\$ (135,878)
<b>RETAINED EARNINGS</b>				
Balance, At start		(40,158)	(313,593)	(177,715)
Current year		(275,252)	(104,411)	(135,878)
Balance, At end		\$ (315,410)	\$ (418,004)	\$ (313,593)