

Coopers Park Corporation

Consolidated Financial Statements

Three months ended March 31, 2010 and 2009

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "*Continuous Disclosure Obligations*", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The financial statements for the three months ended March 31, 2010 and 2009 have not been reviewed by an auditor.

"signed" Terence Hui _____
Terence Hui
Chief Executive Officer

May 20, 2010

Coopers Park Corporation

Consolidated Balance Sheets

(Unaudited)

	March 31, 2010 (Unaudited) \$	December 31, 2009 (Audited) \$
Assets		
Properties (note 3)	4,139,210	4,967,683
Investments (note 4)	908,786	908,786
Cash and cash equivalents	90,497,839	103,890,793
Amounts receivable (note 7)	216,033	153,070
Loan receivable (note 5)	22,987,460	19,738,143
Prepaid expenses	22,248	19,553
Future income taxes (note 8)	514,000	963,000
	<u>119,285,576</u>	<u>130,641,028</u>
Liabilities		
Accounts payable and accrued liabilities (notes 3 and 7)	1,083,071	1,492,786
Current incomes taxes payable	3,900	12,262,000
	<u>1,086,971</u>	<u>13,754,786</u>
Shareholders' Equity		
Capital stock (note 6)	13,500,001	13,500,001
Retained earnings	104,698,604	103,386,241
	<u>118,198,605</u>	<u>116,886,242</u>
	<u>119,285,576</u>	<u>130,641,028</u>

Coopers Park Corporation

Consolidated Statements of Earnings, Comprehensive Earnings and Retained Earnings (Unaudited)

	For the Three Months Ended	
	March 31, 2010	March 31, 2009
	\$	\$
Property sales	2,060,411	66,170,132
Cost of properties sold	838,429	29,133,022
	<u>1,221,982</u>	<u>37,037,110</u>
Expenses		
General and administrative (note 7)	136,466	371,960
Legal and professional fees	4,685	4,957
Sales and marketing (note 7)	15,069	57,998
	<u>156,220</u>	<u>434,915</u>
Other income		
Interest	1,165,601	44,868
Other	-	840,014
	<u>1,165,601</u>	<u>884,882</u>
Earnings before income taxes	2,231,363	37,487,077
Provision for income taxes (note 8)		
Current	470,000	5,386,000
Future	449,000	5,992,000
	<u>919,000</u>	<u>11,378,000</u>
Net earnings and comprehensive earnings for the period	1,312,363	26,109,077
Retained earnings - Beginning of period	103,386,241	46,503,106
Retained earnings - End of period	104,698,604	72,612,183
Weighted average number of voting and Non-voting common shares outstanding	80,988,406	80,988,406
Basic and diluted earnings per share	0.02	0.32

Coopers Park Corporation

Consolidated Statements of Cash Flows (Unaudited)

	For the Three Months Ended	
	March 31, 2010	March 31, 2009
	\$	\$
Cash flows from operating activities		
Net earnings and comprehensive earnings for the period	1,312,363	26,109,077
Expenditures on properties	(9,956)	(45,790,604)
Items not affecting cash		
Cost of properties sold	838,429	29,133,022
Current income taxes	470,000	5,386,000
Future income taxes	449,000	5,992,000
Interest income	(987,317)	-
Changes in non-cash working capital		
Amounts receivable	(62,963)	(130,443)
Prepaid expenses	(2,695)	1,572
Accounts payable and accrued liabilities	(409,715)	(5,809,185)
Current income taxes	(12,728,100)	-
	<u>(11,130,954)</u>	<u>14,891,439</u>
Cash flows from investing activities		
Loan receivable	(2,262,000)	-
Cash held in trust	-	22,816,324
	<u>(2,262,000)</u>	<u>22,816,324</u>
Increase (decrease) in cash and cash equivalents	(13,392,954)	37,707,763
Cash and cash equivalents - Beginning of period	103,890,793	8,117,045
Cash and cash equivalents - End of period	90,497,839	45,824,808
Supplemental disclosure of cash payments		
Interest paid	-	-
Income taxes paid	12,728,100	-

Coopers Park Corporation

Notes to Consolidated Financial Statements

March 31, 2010

1 Nature of operations

The principal business of Coopers Park Corporation (the Company) was the acquisition, development and marketing of three residential condominium properties in Vancouver, British Columbia on two building sites the Company purchased from Concord Pacific Group Inc. On April 6, 2009, Concord Pacific Group Inc. changed its name to One West Holdings Ltd. (One West).

“Coopers Pointe”, an 86-unit high rise condominium tower on Site 6A, was completed in November 2007. “Flagship”, a 112-unit high rise condominium tower, and “Mariner”, a 133-unit high rise condominium tower, located on Site 6BD were both completed in December 2008.

On May 22, 2009 the Company entered into an agreement to advance a loan of up to \$20 million plus accrued interest to finance the development of a multi-family residential condominium project in Surrey, British Columbia.

In the future, the Company may engage in other opportunities in the real estate and technology sectors, depending upon market conditions and available financing.

2 Significant accounting policies

Generally accepted accounting principles

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Future accounting changes

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, *Business Combinations*, to replace existing Section 1581 of the same title. The new section amends the standard for accounting for business combinations and contains requirements that are the same as those in International Financial Reporting Standards (IFRS) 3, *Business Combinations*. The standard is effective for fiscal years beginning on or after January 1, 2011.

Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued Handbook Section 1601, *Consolidated Financial Statements*, and 1602, *Non-controlling Interests*, to replace existing Handbook Section 1600, *Consolidated Financial Statements*, and establish a new section for accounting for a non-controlling interest in a subsidiary subsequent to a business combination. The new standards contain requirements that are the same as those in IFRS 3, *Business Combinations*, and International Accounting Standard 27, *Consolidated and Separate Financial Statements*. These standards are effective for fiscal years beginning on or after January 1, 2011.

Coopers Park Corporation

Notes to Consolidated Financial Statements

March 31, 2010

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Coopers Park Real Estate Development Corporation, Coopers Park Real Estate Trust, Coopers Park Investment Holdings Limited, Mariner Towers Limited, and Mariner Towers Limited Partnership.

All intercompany transactions and balances have been eliminated.

Properties

Properties under development are recorded at the lower of cost and estimated net realizable value. Cost includes all expenditures incurred in connection with the acquisition, development, and construction of these properties. These expenditures consist of all direct costs, interest on debt incurred to finance the acquisition, development and construction, and certain general and administrative expenses that are directly attributable to the properties until receipt of the occupancy permit. Thereafter, all costs other than direct costs are expensed as incurred. Incidental revenue specifically relating to such properties earned during the holding, development and construction phases is treated as a reduction in cost.

The Company records an impairment provision where the carrying value of a particular property exceeds its estimated net realizable value.

Management's estimates of the net realizable value of its properties are based on the best available information at the time of assessment. Costs are inherently subject to fluctuation and unforeseen costs or expenses could be incurred in the holding, development and construction processes. The costs associated with the Company's projects could be significantly increased by events outside the Company's control, including increases in interest rates and increases in development and construction costs. The Company's anticipated revenues from its properties are based on the sale of units of each project at estimated prices that are subject to market forces. There can be no assurance that the various assumptions will be realized or that the properties will not be adversely affected by unforeseen economic factors, resulting in a diminution in the anticipated value of the Company's projects.

Revenue recognition

Revenue from the sale of condominium units is recorded when title transfers to the purchasers, they are entitled to occupancy, there is persuasive evidence of an arrangement for the sale of the property, the proceeds are fixed and determinable, and collection of the sale proceeds is reasonably assured.

Cost of properties sold

Cost of properties sold is determined using the net yield method whereby the cost of properties sold for the period is a pro-rated amount of the total estimated capitalized costs for the project based on sales for the period versus projected sales for the entire project.

Coopers Park Corporation

Notes to Consolidated Financial Statements

March 31, 2010

Warranty costs

Estimated future warranty costs are accrued and charged to cost of properties sold in the period in which revenues are recognized from the sale of properties. The recognized amount of future warranty costs is based on management's best information and judgment and is based in part upon the Company's historical experience. The inherent uncertainty associated with real estate development makes it reasonably possible that future conditions may materially affect the amount of any warranty obligations. An increase in the provision for warranty costs, with a corresponding charge to earnings, is recorded in the period in which management estimates that additional warranty obligations are likely.

Cash and cash equivalents

For purposes of determining cash flows, cash and cash equivalents consist of deposits with banks and highly liquid short-term interest bearing securities with maturities at the date of purchase of three months or less, and exclude cash subject to restrictions that prevent its use for current purposes.

Financial instruments

Cash and cash equivalents and cash held in trust are designated as held-for-trading and are measured at fair value at each balance sheet date with changes reflected in net earnings.

Amounts receivable and loan receivable are classified as loans and receivables and are measured at amortized cost using the effective interest rate method.

Management actively reviews its loan receivable for impairment when there is an event or change in circumstances that indicates impairment in value. Impairment is present when there has been deterioration in the credit quality of the borrower to the extent that management has reasonable doubt as to the timely collection of the principal and interest. An impairment loss is recognized based on the excess of the carrying amount over the estimated realizable amount. The estimated realizable amount should be measured by discounting the expected future cash flows at the original effective interest rate inherent in the loan. When the amounts and timing of future cash flows cannot be estimated with reasonable reliability, estimated realizable amount may be measured as either (i) the fair value of any underlying security, net of any realization costs and any amounts legally required to be paid to the borrower, or (ii) the observable market prices for the loan. The valuation of the amount is highly subjective and is based upon assumptions regarding market conditions that could differ materially from actual results in future periods.

Investments in private technology companies with no active market are treated as available-for-sale when no retraction provisions by the holder exist. Investments classified as available-for-sale are measured at cost. Any writedown due to impairment of the investment is reflected in net earnings.

Accounts payable and accrued liabilities and are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

Coopers Park Corporation

Notes to Consolidated Financial Statements

March 31, 2010

Income taxes

The Company applies the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized in the current period for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. A valuation allowance is recognized to the extent it is more likely than not that future income tax assets will not be realized.

Management has estimated the income tax provision and future income tax balances in accordance with its interpretation of the various income tax laws and regulations. It is possible, due to the complexity inherent in estimating income taxes, that the tax provision and future tax balances could change.

Earnings per share

Earnings per share are computed by dividing the net earnings by the weighted average number of voting and non-voting common shares outstanding during the year using the treasury stock method.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements. Actual results may differ from those estimates.

Coopers Park Corporation
Notes to Consolidated Financial Statements
March 31, 2010

3 Properties

	2010		
	Site 6A	Site 6BD	Total
	\$	\$	\$
Land	3,812,959	14,007,968	17,820,927
Development costs (note 8)	27,460,132	92,797,614	120,257,746
Interest	1,673,555	6,480,121	8,153,676
Cost of properties sold	(32,700,830)	(109,392,309)	(142,093,139)
	245,816	3,893,394	4,139,210
	2009		
	Site 6A	Site 6BD	Total
	\$	\$	\$
Land	3,812,959	14,007,968	17,820,927
Development costs (note 8)	27,460,132	92,787,658	120,247,790
Interest	1,673,555	6,480,121	8,153,676
Cost of properties sold	(32,700,830)	(108,553,880)	(141,254,710)
	245,816	4,721,867	4,967,683

Land acquisition

The Company entered into a Purchase Agreement to acquire two development sites located within Concord Pacific Place in Vancouver, BC (Site 6A and Site 6BD) from One West, a company controlled by members of the family of a significant shareholder and director. The aggregate purchase price of \$44,700,000 was subject to being increased by the percentage increase in a stipulated market-based housing price index from December 31, 2004 to the completion of the purchase of each Site. The Company paid an aggregate cash deposit of \$12,500,000 to One West that has been applied to the purchase price of the Sites.

The Purchase Agreement provided that the completion date of the purchase of each Site was to be the 60th day following the earlier of:

- a) receiving a Confirmation of Compliance issued by the Province of British Columbia with respect to One West completing certain environmental remediation work and completing certain infrastructure work to the satisfaction of the City of Vancouver as outlined in the Purchase Agreement, and
- b) receiving an occupancy permit from the City of Vancouver for the condominium units in the building on each Site.

In accordance with generally accepted accounting principles for related party transactions, the purchase of each Site was recorded at the historical book value of the Sites to One West.

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Notes to Consolidated Financial Statements

March 31, 2010

On November 26, 2007, the Company received an occupancy permit from the City of Vancouver for Site 6A and completed the purchase of the Site on January 25, 2008. The final purchase price was \$15,997,731. The historical book value of the Site to One West of \$3,812,959 was capitalized to properties under development and the excess of the purchase price over the historic book value of \$12,184,772 (less income taxes of \$4,050,000) was charged to retained earnings.

On December 4, 2008, the Company received an occupancy permit from the City of Vancouver for Site 6BD and completed the purchase of the Site on February 2, 2009. The final purchase price was \$49,680,473. The historical book value of the Site to One West of \$14,007,968 was capitalized to properties under development and the excess of the purchase price over the historic book value of \$35,672,505 (less income taxes of \$10,814,000) was charged to retained earnings.

4 Investments

During 2006, the Company acquired retractable voting preferred shares of a private technology company from One West for cash of \$538,555, the carrying value of the shares to One West. During 2008, the retraction rights associated with the shares were removed and, as a result, the investment was classified as available-for-sale. During 2008, the Company acquired \$300,000 of additional voting preferred shares from the private technology company. As at December 31, 2009, the Company owns 1.7% of the voting preferred shares issued.

During 2007, the Company acquired, for \$200,000, 2.35% of the retractable preferred shares of a private technology company. One of the directors of the Company was the Chief Executive Officer of the private technology company at the time of acquisition. The Company immediately waived its right of retraction and, accordingly, classified the investment as available-for-sale. In the year ended December 31, 2008, based primarily on a comparison to subsequent issuances of similar securities, the Company wrote down the investment by \$129,769.

5 Loan receivable

On May 22, 2009 the Company entered into an agreement with Park Place Towers Limited Partnership and Park Place Towers 12.5 Limited Partnership (collectively Park Place) for the development of a multi-family residential condominium project consisting of 700 residential condominium units in two 36-storey towers under construction in Surrey, British Columbia (the Project) by providing a loan facility (the Loan) of up to \$20 million plus the amount of cost over-runs (the Cost Over-run Advance) and accrued interest. The interest rate on the Loan is 19.5% per annum compounded monthly with a maturity date of December 31, 2011. The Loan is secured by a fixed and specific mortgage on the Project (on which approximately 700 condominium units were planned to be constructed) and six unsold units in a building of 345 condominium units adjacent to the Project. The Loan will rank subordinate to financing from Canadian chartered banks or other institutional lenders for the costs to be incurred in the completion of the construction of the Project but in priority to the security for the \$41 million loan to the original developer of the Project. One West owns Park Place through affiliates.

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Notes to Consolidated Financial Statements
March 31, 2010

As at March 31, 2010, the Company has advanced \$20 million to Park Place. Subsequent to March 31, 2010, the Company has made a Cost Over-run Advance of \$8,581,831. Accordingly, the principal balance of the Loan has been increased to \$28,581,831.

During the three months ended March 31, 2010, the Company earned interest income of \$987,317 (2009 - \$nil) on the Loan. The amounts are included in interest income.

6 Capital stock

Authorized

- Unlimited number of voting common shares without par value
- Unlimited number of non-voting common shares without par value

Issued

	Voting common shares	Non-voting common shares	Amount \$
Balance - December 31, 2009 and March 31, 2010	846,953	80,141,453	13,500,001

7 Related party transactions and commitments

The Company has no employees and accordingly has entered into various agreements with related parties.

Construction management agreement

The Company has entered into a construction management agreement with Centreville Construction Ltd. (Centreville), a wholly owned subsidiary of One West. In exchange for managing the development and construction of the properties under development, Centreville receives a fee equal to 3% of Construction Costs (the Costs), as defined in the agreement. The fee is payable monthly based on the Costs incurred in the immediately preceding month. During the three months ended March 31, 2010, construction management fees of \$3,700 (2009 - \$142,000) were charged by Centreville and have been capitalized to properties. Included in accounts payable and accrued liabilities is \$41,111 (2009 - \$53,586) owing to Centreville.

Marketing and sales agreement

The Company has entered into a marketing and sales agreement with Prompton Real Estate Services Inc. (Prompton), a company controlled by an individual related to a significant shareholder and director. In exchange for managing all of the sales and marketing activities related to the Company's development properties, Prompton receives a fee equal to 3% of the gross revenue from sales of units in the developments.

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Notes to Consolidated Financial Statements

March 31, 2010

The fee is payable monthly based on sales agreements entered into in the month by the Company with third parties. During the three months ended March 31, 2010, marketing and sales commissions of \$15,069 (2009 - \$57,998) were charged by Prompton. Included in amounts payable and accrued liabilities is \$nil (2009 - \$52,908) owing to Prompton. Included in amounts receivable is \$8,810 (2009 - \$nil) owing from Prompton.

Administration agreement

The Company has entered into an administration agreement with Concord Pacific Developments Inc. (CPDI), an affiliate of One West. In exchange for providing administrative services, CPDI will be reimbursed for all expenses, as defined in the agreement, incurred with respect to providing such services and will receive a monthly fee of 3% of the amount of the expenses. The Company and CPDI have agreed that the monthly expenses and fee approximate \$19,828 and accordingly have agreed to amend the administration agreement to provide for the fixed monthly charge of \$19,828 through January 2010. The Company and CPDI have amended the fixed monthly charge to \$15,310 from February 2010 through January 2011. The administration agreement expires in January 2015.

During the three months ended March 31, 2010, expenses and administration fees of \$50,448 (2009 - \$59,484) were charged by CPDI and have been included in general and administrative expenses.

Other transactions

During the three months ended March 31, 2010, development costs of \$nil (2009 - \$6,748) were charged by a company controlled by members of the family of a significant shareholder and director and have been capitalized to properties under development. Included in accounts payable and accrued liabilities is \$nil (2009 - \$nil) owing to this company.

Included in accounts payable and accrued liabilities at March 31, 2010 is \$50,448 (2009 - \$nil) owing from CPDI for administration fee.

Included in amounts receivable at March 31, 2010 is \$nil (2009 - \$3,261) owing from One West for certain development cost and operating expenses.

Other related party balances and transactions are disclosed elsewhere in these consolidated financial statements.

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Notes to Consolidated Financial Statements
March 31, 2010

8 Income taxes

The provision for income taxes differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates to earnings before income taxes as follows:

	2010	2009
	\$	\$
Provision for income taxes based on the combined statutory income tax rate of 28.5% (2008 - 31%)	636,000	24,043,000
Difference between current and future statutory tax rates expected to apply to current year	(12,000)	(579,000)
Adjustment for changes in future tax rates	44,000	569,000
Change in prior year estimate	251,000	(509,000)
Change in valuation allowance	-	-
Use of investment tax credits	(470,000)	(263,000)
	<hr/>	<hr/>
Provision for future income taxes	449,000	23,261,000
	<hr/>	<hr/>

The continuity of the future income tax asset is as follows:

	2010	2009
	\$	\$
Balance - Beginning of period	963,000	11,962,000
(Provision for) recovery of future income taxes	(449,000)	(10,999,000)
	<hr/>	<hr/>
Balance - End of period	514,000	963,000
	<hr/>	<hr/>

The tax effect of temporary differences that give rise to future income tax assets are as follows:

	2010	2009
	\$	\$
Future income tax assets		
Non-capital losses carry-forward	3,000	3,000
Taxable capital losses carry-forward	1,086,000	1,086,000
Investments	17,000	17,000
Properties	395,000	838,000
Share issue costs	14,000	16,000
Eligible capital expenditures	102,000	106,000
	<hr/>	<hr/>
	1,617,000	2,066,000
Valuation allowance	(1,103,000)	(1,103,000)
	<hr/>	<hr/>
Net future income tax asset	514,000	963,000
	<hr/>	<hr/>

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March 31, 2010

As at March 31, 2010, the Company has non-capital losses of approximately \$10,000 (2009 - \$10,000) available to reduce taxable income in future years. These losses expire as follows:

	\$
2015	4,000
2026	3,000
2027	1,000
2028	1,000
2029	1,000
	<u>10,000</u>

9 Sales deposits

The Company receives deposits from purchasers of condominium units that it places in trust until the sale of each respective condominium unit is completed. Sales deposits held in trust are not included in these consolidated financial statements.

	2010	2009
	\$	\$
Cash held in trust	2,522,695	2,604,441
Sales deposits (including deposits from purchasers unable to complete the sales of condominium units pre-sold earlier)	<u>(2,522,695)</u>	<u>(2,604,441)</u>
	<u>-</u>	<u>-</u>

Interest on sales deposits accrues to the benefit of the Company and interest income for the three months ended March 31, 2010 of \$nil (2009 - \$1,434,585) are included in property sales.

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March 31, 2010

10 Financial instruments

Fair values

	2010		2009	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Cash and cash equivalents	90,497,839	90,497,839	103,890,793	103,890,793
Investments carried at cost (a)	908,786	n/a	908,786	n/a
Amounts receivable	216,033	216,033	153,070	153,070
Loan receivable	22,987,460	22,987,460	19,738,143	19,738,143
Accounts payable and accrued liabilities	1,083,071	1,083,071	1,492,786	1,492,786

(a) The fair values of investments carried at cost is not readily obtainable.

The fair value hierarchy has the following levels:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices; and

Level 3 - inputs from the asset or liability that are not based on observable market data.

The only financial instrument measured at fair value in the consolidated balance sheet as at March 31, 2010 is cash and cash equivalents, which is classified as Level 1.

Interest rate risk

As the construction loan was repaid during the year ended December 31, 2008 and the interest on the loan to Park Place is based on a fixed rate of 19.5%, the Company's only interest bearing financial instruments that are subject to interest rate risk are cash and cash equivalents and cash held in trust which earn interest at market rates.

Credit risk exposures

Credit risk arises when the borrowers are unable to repay the loans and debts due to the Company in time and in full. The financial instruments that potentially expose the Company to a concentration of credit risk are cash and cash equivalents, cash held in trust, amounts receivable, and loan receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high quality financial institutions and, for the loan receivable from Park Place, by analyzing and studying the borrowers' repayment capacity and ensuring that the loan is secured by collateral.

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Liquidity risk

The Company manages liquidity risk by maintaining adequate cash balances and by having appropriate financing available. In addition, the Company regularly monitors and reviews both actual and forecasted cash flows.

11 Capital management

The capital structure of the Company consists of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders.

