



OPEN EC TECHNOLOGIES, INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2010

Open EC Technologies, Inc.

NOTICE TO READER

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

The accompanying unaudited interim financial statements of Open EC Technologies, Inc. have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in Canada, consistent with previous periods.

Open EC Technologies, Inc.'s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

OPEN EC TECHNOLOGIES, INC.
INTERIM CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2010 AND JUNE 30, 2009

	March 31, 2010	June 30, 2009
ASSETS		
Current		
Cash and cash equivalents	\$ 595,658	\$ 743,450
Short-term investments	101,554	-
Accounts receivable	96,105	92,857
Other receivable	-	150,000
Prepaid expenses and deposits	161,058	8,269
Total Current Assets	954,375	994,576
Property and equipment [note 5]	16,256	17,711
Intangible assets [note 6]	375,153	432,432
Total Assets	\$ 1,345,784	\$ 1,444,719
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 212,330	\$ 213,212
Due to related parties [note 10]	-	18,000
Deferred revenue	128,791	161,509
Total Liabilities	341,121	392,721
Shareholders' Equity		
Common stock [note 7b]	17,657,386	17,424,586
Contributed surplus [note 7b]	5,720,445	5,511,184
Deficit	(22,373,168)	(21,883,772)
Total Shareholders' Equity	1,004,663	1,051,998
Total Liabilities and Shareholders' Equity	\$ 1,345,784	\$ 1,444,719

Nature and continuance of operations [note 1]
 Commitments [note 9]

Approved on behalf of the Board:

/s/ "Martyn A. Armstrong"
 Martyn A. Armstrong, Director

/s/ "Roy Trivett"
 Roy Trivett, Director

The accompanying notes are an integral part of these consolidated financial statements

OPEN EC TECHNOLOGIES, INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2010 AND 2009

	Three Months Ended 31-Mar-10	Three Months Ended 31-Mar-09	Nine Months Ended 31-Mar-10	Nine Months Ended 31-Mar-09
REVENUE				
Software development services	\$ -	\$ 100,335	\$ 175,318	\$ 193,443
Maintenance fees	64,626	65,389	203,161	189,737
Consulting services	99,824	97,122	201,706	199,092
Software sales	18,230	22,522	61,408	52,508
Training services	1,500	-	5,845	3,801
	184,180	285,368	647,438	638,581
COST OF SALES				
Cost of sales	60,266	-	187,087	-
Marketing and sales	34,724	7,187	105,633	36,287
	94,990	7,187	292,720	36,287
Gross profit	89,190	278,181	354,718	602,294
EXPENSES				
Salaries and wages	92,220	176,706	268,187	385,492
General and administrative	100,730	105,363	247,102	353,487
Amortization of intangible assets	26,530	21,622	69,774	65,469
Amortization of property and equipment	1,505	1,497	4,137	4,365
Stock-based compensation	216,062	489	216,062	7,342
Bad debts	12,226	-	12,226	-
	449,273	305,677	817,488	816,155
Loss before other items	(360,083)	(27,496)	(462,770)	(213,861)
OTHER INCOME (EXPENSE)				
Interest income	1,806	2	1,963	128
Interest expense	(12)	(2)	(12)	(10)
Foreign exchange loss/(gain)	(5,812)	1,058	(28,577)	30,098
	(4,018)	1,058	(26,626)	30,216
Loss from continuing operations	(364,101)	(26,438)	(489,396)	(183,645)
Income (loss) from discontinued operations	-	(1,830,603)	-	(1,768,269)
Net loss for the period	(364,101)	(1,857,041)	(489,396)	(1,951,914)
Deficit, opening	(22,009,067)	(20,093,144)	(21,883,772)	(19,928,814)
Statutory reserves in discontinued operations	-	69,457	-	-
Deficit, closing	\$ (22,373,168)	\$ (21,880,728)	\$ (22,373,168)	\$ (21,880,728)
Basic and diluted loss per share from continuing operations	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.04)
Weighted average number of shares outstanding,				
Basic and Diluted [note 7(b)]	45,708,482	56,383,815	45,221,844	55,578,940

The accompanying notes are an integral part of these consolidated financial statements

OPEN EC TECHNOLOGIES, INC.

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
AND ACCUMULATED OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2010 AND 2009**

	Three Months Ended 31-Mar-10	Three Months Ended 31-Mar-09	Nine Months Ended 31-Mar-10	Nine Months Ended 31-Mar-09
Net loss	\$ (364,101)	\$ (1,857,041)	\$ (489,396)	\$ (1,951,914)
Other comprehensive income, net of tax:				
Unrealized foreign exchange gain on translation of self-sustaining foreign operations	-	2,065	-	218,613
Realized accumulated foreign exchange translations on disposal of self-sustaining foreign operations	-	(286,640)	-	(286,640)
Comprehensive income/(loss)	\$ (364,101)	\$ (2,141,616)	\$ (489,396)	\$ (2,019,941)
Accumulated other comprehensive income, opening	\$ -	\$ 284,575	\$ -	\$ 68,027
Unrealized foreign exchange gain on translation of self-sustaining foreign operations	-	2,065	-	218,613
Realized accumulated foreign exchange translations on disposal of self-sustaining foreign operations	-	(286,640)	-	(286,640)
Accumulated other comprehensive income, closing	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements

OPEN EC TECHNOLOGIES, INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2010 AND 2009

	Three Months Ended 31-Mar-10	Three Months Ended 31-Mar-09	Nine Months Ended 31-Mar-10	Nine Months Ended 31-Mar-09
OPERATING ACTIVITIES				
Net loss for the period	(364,101)	\$ (26,438)	(489,396)	\$ (183,645)
Items not affecting cash:				
Amortization of intangible assets	26,530	21,622	69,774	65,469
Amortization of property and equipment	1,505	1,497	4,137	4,365
Stock-based compensation expense	216,062	489	216,062	7,342
Changes in non-cash items:				
Accounts receivable	25,204	114,467	146,750	69,576
Prepaid expenses and deposits	(156,825)	-	(152,790)	-
Accounts payable and accrued liabilities	33,266	67,502	(150,882)	118,776
Due to related parties	(43,125)	(7,150)	(18,000)	(107,098)
Deferred revenue	(11,985)	(76,903)	(32,717)	11,071
Cash (used) by operating activities	(273,469)	95,086	(407,062)	(14,144)
INVESTING ACTIVITIES				
Software acquisition costs	(12,494)	-	(12,494)	(4,228)
Proceeds from disposal of China operations	-	-	150,000	-
Cash surrendered on disposal of discontinued operations	-	(952,181)	-	(952,181)
Purchase of property and equipment	-	-	(2,682)	(3,257)
Purchase of short-term investment	498,446	-	(101,554)	-
Cash (used) by investing activities	485,952	(952,181)	33,270	(959,666)
FINANCING ACTIVITIES				
Issuance of common shares for cash - net of issuance costs	226,000	-	226,000	9,125
Cash provided by financing activities	226,000	-	226,000	9,125
Cash flows from continuing operations	438,483	(857,095)	(147,792)	(964,685)
Cash flows from discontinued operations	-	-	-	773,470
Increase/(decrease) in cash and cash equivalents	438,483	(857,095)	(147,792)	(191,215)
Cash and cash equivalents, beginning of period	157,175	980,907	743,450	315,027
Cash and cash equivalents, end of period	\$ 595,658	\$ 123,812	\$ 595,658	\$ 123,812
Supplemental cash flow information:				
Interest received	1,806	2	1,963	129
Interest paid	(12)	(1,158)	(12)	(3,033)

The accompanying notes are an integral part of these consolidated financial statements

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

(Unaudited – See Notice)

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Nature of operations

Open EC Technologies, Inc., (the “Company”) was formed on March 30, 1981 and is incorporated under the British Columbia Business Corporations Act.

The Company and its subsidiaries operate software businesses in the areas of e-business. Its wholly owned Canadian subsidiary develops and markets Electronic Data Interchange (“EDI”) software primarily to retailers, financial and public institutions, utility companies, pharmaceutical companies and wholesalers across North America and Asia. It also develops and markets e-commerce software, provides software through internet portals and licenses, and provides consulting and support services to both domestic and international markets.

On July 1, 2007, the Company acquired a 60% interest in a Peoples Republic of China (“China” or “Chinese”) subsidiary which provided software development services in the areas of mobile commerce, micro payment software solutions and mobile operator portal software mainly to the telecommunication industry in China and other Southeast Asian countries. Effective January 1, 2009, the Company sold all the business operations of this Chinese subsidiary.

After the sale of the Chinese business operations, the Company had been focusing on the North American 4-business software market including the US HealthCare Information Technology sector.

Basis of presentation

The Company had a loss of \$364,101 for the quarter ended March 31, 2010 [2009 : \$1,857,041]. At March 31, 2010, the Company had an accumulated deficit of \$22,373,168 [2009 : \$21,883,772]. In prior years, the Company has raised financing to support its activities primarily through the issuance of shares.

The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to develop its business model, achieve profitable operations, the continued financial support of its shareholders, creditors, related parties and option holders and upon its ability to obtain additional financing as required.

The Company’s ability to achieve profitability and positive cash flows from operations will depend upon numerous factors. These factors include its ability to attract strategic corporate partners for the development, marketing, distribution, and sale of its software products, the progress of its research and development programs and its ability to protect its proprietary rights over product names and trademarks. The outcome of these matters cannot be predicted at this time. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of consolidation

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles, and are expressed in Canadian dollars and include the accounts of the Company and its wholly-owned subsidiaries, SoftCare EC Solutions Inc., a Canadian company (“SoftCare”); Fine High Group Limited, a BVI company (“Fine High”), Shenzhen Headware Software Ltd., a Chinese company (“Headware”), SCC Holdings Ltd., a Canadian company (“SCC”), SCEC Holdings Ltd., a Canadian company (“SCEC Holdings”), and SoftCare Electronic Commerce (U.S.A.) Inc., a Washington company (“SCEC”). All significant intercompany balances and transactions have been eliminated on consolidation.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)*

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**a) Principles of consolidation (continued)**

These interim consolidated financial statements do not include all disclosures required under Canadian GAAP for annual audited financial statements. Accordingly, they should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended June 30, 2009. The Company has used the same accounting policies as disclosed in the June 30, 2009 audited financial statements

b) Foreign currency translation

The Chinese subsidiaries were considered self-sustaining operations, as they were financially and operationally independent of the parent. Accordingly, these operations were translated from Chinese Reminbi ("RMB") into Canadian dollars ("CAD") using the current rate method. Under this method, assets and liabilities were translated at period-end exchange rates and items included in the statements of operation and retained earnings and cash flows were translated at the rates in effect at the time of the transaction. Foreign exchange gains or losses resulting from these translations were considered other comprehensive income or loss and their cumulative effect was presented on the balance sheet as accumulated other comprehensive income in shareholders' equity. Upon disposal of the Chinese Operations, the accumulated other comprehensive income related to this foreign exchange effect was reversed.

Other foreign subsidiaries including the Chinese subsidiary after the disposal of the Chinese Operations are considered integrated operations, as they are financially dependent on the parent company, and are translated into CAD using the temporal method. Under this method, monetary assets and liabilities are translated at period-end exchange rates and items included on the statements of operations and cash flows are translated at rates in effect at the time of the transaction. Non-monetary assets and liabilities are translated at historical rates. Foreign exchange gains and losses resulting from these translations are reflected in the statements of operations.

c) Cash and cash equivalents

The Company considers all highly liquid financial instruments with an original maturity of 90 days or less to be cash equivalents. Cash subject to restriction is not considered to be cash equivalents and is presented separately.

d) Short-term investments

Short-term investments include term deposits and/or guarantee investment certificates with maturities at inception over 90 days but not more than one year.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

(Unaudited – See Notice)

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue recognition

The Company's revenues in Canada are derived from software sales and licenses and other supporting fees, such as consulting, training and installation. The Company also provides maintenance and other recurring services, including customer support and software updates which are renewable at the option of the customer.

The Company follows the accounting recommendations of Emerging Issues Committee ("EIC") EIC-141 "Revenue Recognition", and EIC-142 "Revenue Arrangements with Multiple Deliverables". EIC-141 summarizes the principles set as interpretive guidance on the application of CICA Handbook section 3400, "Revenue". Specifically this EIC presents the criteria to be met for revenue recognition to be considered achieved. EIC-142 addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue generating activities for a given customer.

The Company records revenue when persuasive evidence of a contract or other arrangement exists, there are no significant uncertainties surrounding product acceptance, the fees are fixed or determinable and collection is considered reasonably assured.

The Company's application of EIC 142 requires judgment, including whether a software arrangement includes multiple elements, and if so, whether vendor-specific objective evidence ("VSOE") of fair value exists for those elements. The Company's VSOE is based on the associated price when the elements are sold separately. Some customers receive certain elements of the Company's products over a period of time. Changes to the elements in a software arrangement, the ability to identify VSOE for those elements and the fair value of the respective elements could materially affect the amount of earned and unearned revenue.

The Company recognizes revenues from the sale of its software and licenses when legal title transfers, which is generally when the product is shipped or, in the case of certain agreements, when the products are delivered to certain customers. The Company sells some of its products on consignment to resellers and recognizes revenue for these consignment transactions only when the end-user sale has occurred.

The Company sells license and maintenance contracts that include the right to customer support and unspecified updates of software licenses on a when-and-if-available basis. Sales of updates and maintenance contracts are considered post-contract support, and the fees are deferred and recognized as revenue prorated over the term of the maintenance arrangement, which is generally 12 months. The recognition of any deferred revenue is not contingent upon any specific delivery of product since updates are only provided when-and-if-available.

For software arrangements where the Company is obligated to perform professional services, such as installation, training and consulting, the Company does not consider delivery to have occurred until no significant obligations remain. Generally, this would occur when substantially all service work has been completed in accordance with the terms and conditions of the agreement with the customer.

When the Company's software and related license are sold with other services, the Company allocates the total fee to each element of the contract, based on the relative fair values of the elements specific to the Company.

At the time of executing customer contracts, the Company assesses whether the fee associated with the revenue transactions is fixed or determinable, based on the payment terms associated with the transaction and considers the fee to be fixed or determinable if it is due with the Company's normal payment terms, which are generally 30 to 90 days from invoice date.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)*

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**f) Business acquisition costs and software acquisition costs**

Software acquired as a component of revenue producing assets is recorded at cost and amortized over the expected useful life of the software.

Costs related to an acquisition of an entity or operation such as costs of due diligence, legal opinions, finder's fees and other costs in direct connection with the acquisition are recorded on the balance sheet until the acquisition is closed or cancelled. If the acquisition is closed, these costs are allocated to the fair value of identifiable assets acquired and liabilities assumed. If the negotiations indicate the transaction will most likely not close, the Company expenses these costs at that time that determination is made.

h) Long-lived assets

The Company monitors the recoverability of long-lived assets, at least annually or whenever changes in events or circumstances indicate that the carrying amount may not be recoverable, based upon estimates using factors such as future asset utilization, business climate and future un-discounted cash flows expected to result from the use of the related assets or to be realized on sale. An impairment loss is recognized when the carrying amount of an asset exceeds the projected undiscounted net future cash flows expected from its use and disposal, and is measured as the amount by which the carrying amount of the asset exceeds its fair value, which is measured based on discounted cash flows when quoted market prices are not available. For assets held for sale, an impairment loss is recognized when the carrying amount exceeds the fair value less costs to sell. The Company's long-lived assets consist of property and equipment and intangible assets.

Property and equipment are stated at cost less accumulated amortization and are amortized using the declining balance method at annual rates which approximate the useful lives of the assets:

Alarm system and equipment	20%
Computer and testing equipment	30%
Computer software	100%
Leasehold improvements	20%
Office furniture	20%

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

(Unaudited – See Notice)

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Goodwill and intangible assets

The Company accounts for goodwill and other intangible assets under CICA Handbook Section 3064, “Goodwill and Intangible Assets”. Under Section 3064, goodwill is not amortized but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case, the fair value of the reporting unit’s goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. When the carrying amount of a reporting unit’s goodwill exceeds the fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate item in the statements of operations.

Intangible assets acquired in business combinations and intangible assets acquired individually or with a group of other assets, which have indefinite lives, are not amortized, and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test compares the carrying amount of the intangible asset with its fair value, and an impairment loss is recognized in income for the excess, if any. Intangible assets with definite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Open BPM software	7 years
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j) Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on temporary differences between financial reporting and income tax bases of assets and liabilities, measured using the enacted or substantially enacted tax rates that will be in effect when the temporary differences are expected to reverse. If it is more likely than not that some portion or all of a future income tax asset will not be realized, a valuation allowance is recognized.

k) Stock-based compensation

The Company recognizes stock-based compensation for the estimated fair value of equity-based instruments granted to both employees and non-employees. Compensation costs on stock options granted to employees, and directors are measured at estimated fair value at the grant date, and expensed over the expected vesting periods of the options with a corresponding increase to contributed surplus. Upon exercise of the stock options, consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. Options or other equity based instruments issued to consultants and non-employees in exchange for goods or services are accounted for based on the fair value of the option or other equity instrument issued, whichever is more reliably measurable.

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company’s common shares and the expected life of the options.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

(Unaudited – See Notice)

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Software development costs

Software development costs are charged to expense as incurred unless the development project meets the criteria under Canadian generally accepted accounting principles for deferral and amortization.

m) Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the consolidated financial statements. Areas of significant estimate include the determination of provision for doubtful accounts, timing and amount of revenue recognition, the extent and timing for recognition of future income tax assets and liabilities, recoverability of goodwill and intangible assets, useful lives for the amortization of property and equipment and intangible assets, and stock-based compensation. Actual results could differ from these estimates.

n) Earnings (loss) per share

Earnings (loss) per common share is computed by dividing the earnings/(loss) for the period by the weighted average number of common shares outstanding during the period. Diluted net earnings/(loss) per share is computed using the treasury stock method which assumes that all dilutive options and warrants were exercised at the beginning of the period and the proceeds to be received were applied to repurchase common shares at the average market price for the period. Stock options and warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants and when the Company generates income from continuing operations. Earnings/(loss) per share reflects the potential dilution of securities that could result from the exercise of dilutive options and warrants. None of the outstanding options and warrants is included in the calculation of diluted loss per common share because their effect is anti-dilutive.

o) Comparative figures

Certain of the March 31, 2009 figures presented for comparative purposes have been reclassified to conform with the presentation adopted in the current year; these reclassifications have no impact on the March 31, 2009 net loss, cash flows or closing shareholders' equity.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND RECENT ACCOUNTING PRONOUNCEMENTS

a) Adoption of new accounting standards

Effective July 1, 2009, the Company adopted the following accounting standard pronouncements issued by the Canadian Institute of Chartered Accountants ("CICA"):

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)*

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)**a) Adoption of new accounting standards (continued)****Goodwill and Intangible Assets – CICA Section 3064**

In February 2008 the CICA issued accounting standard Section 3064 Goodwill and Intangible Assets replacing accounting standard Section 3062, Goodwill and Other Intangible Assets, and accounting standard Section 3450, Research and Development Costs. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopts these standards commencing for its interim and annual financial statements for the fiscal year ended June 30, 2010. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. There is no material impact of the adoption of this new Section.

b) Recent accounting pronouncements**Business Combinations - CICA Handbook Section 1582**

In January 2009, the CICA issued Section 1582, “Business Combinations” to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards (“IFRS”). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The Company is currently evaluating the impact of this standard on its financial statements.

Consolidated Financial Statements and Non-Controlling Interests – CICA Handbook Sections 1601 and 1602

In January 2009, the CICA issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” which replace Section 1600 “Consolidated Financial Statements.” Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations.” The Company is currently evaluating the impact of this standard on its financial statements.

International Financial Reporting Standards

In February 2008, the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards (“IFRS”) for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The standard also requires that comparative figures for 2010 be based on IFRS. The Company is currently in the planning stages to identify the impact of adopting IFRS on its financial statements and will continue to invest in training and necessary resources to complete the conversion. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

(Unaudited – See Notice)

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Financial Instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its financial instruments as follows:

- Cash and cash equivalents and short-term investments as held-for-trading and measured at fair value
- Accounts receivable and due from related parties as loans and receivables and measured at amortized cost
- Accounts payable and due to related parties as other financial liabilities and measured at amortized cost

The carrying values of cash and cash equivalents, short-term investments, accounts receivable, and accounts payable approximate their fair values due to their relatively short periods to maturity. The carrying values of amounts due from and to related parties approximate their fair values as these instruments have no fixed terms of repayment.

During 2009, CICA Handbook Section 3862, *Financial Instruments – Disclosures* (“Section 3862”), was amended to include enhanced disclosures about inputs to fair value measurement, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are:

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

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are not based on observable market data.

If different levels of inputs are used to measure a financial instrument’s fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classification of the Company’s financial instruments within the fair value hierarchy as at March 31, 2010:

	Assets at fair value as at March 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	595,658			595,658
Short-term investments	101,554			101,554
	697,212	-	-	697,212

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

(Unaudited – See Notice)

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial Risk

a) Credit Risk

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions do not exceed the amount of insurance provided on such deposits. Financial instruments that potentially subject the Company to concentrations of credit risk are accounts receivable. The Company performs on-going credit evaluations of its customers' financial condition. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

As at March 31, 2010, the Company's allowance for doubtful accounts had a remaining balance of \$24,970 [2009 : \$12,745]. The Company recognizes allowance for doubtful accounts based on management's estimates, and amounts are written off when determined to be uncollectible. There was no bad debt expense during the quarter and nine months ended March 31, 2010.

b) Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet the obligations associated with its financial liabilities. As at March 31, 2010, the Company had cash of \$595,658 [2009 : \$743,450] and working capital of \$613,254 [2009 : \$601,855]. Accounts payable and accrued liabilities are due within the current fiscal year. The Company manages liquidity risk by maintaining adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)*

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)**Financial Risk (continued)****c) Currency Risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash, trade accounts receivable, and accounts payable denominated in US dollars. The Company's remaining Headware subsidiary in China transacts in Chinese RMB, but these transactions and balances are nominal. At March 31, 2010, if the US dollar had weakened 10 percent against Canadian dollar with all other variables held constant, the net loss for the quarter would have been \$10,329 higher. Conversely, if the US dollar had strengthened 10 percent against Canadian dollar with all other variables held constant, the net loss would have been \$10,329 lower. At March 31, 2010, the Company did not have any significant assets or liabilities denominated in Chinese RMB.

The foreign exchange risk arises primarily as a result of the Company having US dollar denominated trade accounts receivable, accounts payable and cash balances. The financial position of the Company may vary at the time that a change in foreign exchange rate occurs, causing the impact on the Company's results to differ from that shown above.

5. PROPERTY AND EQUIPMENT

March 31, 2010		Accumulated		
		Cost	Amortization	Net Book Value
Alarm system & equipment	\$	22,919	\$ 20,158	\$ 2,761
Computer and testing equipment		21,832	12,938	8,894
Computer software		181,064	180,558	506
Office furniture		52,557	48,462	4,095
	\$	278,372	\$ 262,116	\$ 16,256

June 30, 2009		Accumulated		
		Cost	Amortization	Net Book Value
Alarm system & equipment	\$	22,919	\$ 19,671	\$ 3,248
Computer and testing equipment		20,163	10,518	9,645
Computer software		180,052	180,052	-
Office furniture		52,557	47,739	4,818
	\$	275,691	\$ 257,980	\$ 17,711

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)***6. INTANGIBLE ASSETS**

Intangible assets include certain intellectual property, including OpenBPM software source code and licences, acquired from Mala Ventures Inc.

March 31, 2010	Cost	Accumulated Amortization	Net Book Value
Intellectual property re OpenBPM software	617,899	242,746	375,153
	617,899	242,746	375,153

June 30, 2009	Cost	Accumulated Amortization	Net Book Value
Intellectual property re OpenBPM software	605,405	172,973	432,432
	605,405	172,973	432,432

7. COMMON STOCK**a) Authorized**

Unlimited number of common voting shares without par value.

b) Issued and Outstanding

	NUMBER OF SHARES	AMOUNT	CONTRIBUTED SURPLUS
Balance, June 30, 2008	54,400,402	\$ 22,727,970	\$ 999,470
Shares issued as purchase price of OpenBPM software	2,000,000	330,000	184,790
Exercise of Options for cash	60,833	9,125	
Fair value of options exercised		7,379	(7,379)
Stock based compensation			2,872
Reverse shares to be issued			14,500
Shares returned on disposal of Headware	(11,400,000)	(4,658,931)	4,316,931
Unearned shares returned from SESB for cancellation	(77,420)	(990,957)	
Balance, June 30, 2009	44,983,815	\$ 17,424,586	\$ 5,511,184
Exercise of Options for cash	340,000	34,000	
Fair value of options exercised		6,800	(6,800)
Stock based compensation			216,061
Shares issued pursuant to private placement	2,400,000	192,000	
Balance, March 31, 2010	47,723,815	\$ 17,657,386	\$ 5,720,445

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)***7. COMMON STOCK (continued)****b) Issued and Outstanding (continued)****2010**

- (i) On February 26, 2010, a cheque was received and 340,000 common shares were issued for the exercise of options at \$0.10 per share for total proceeds of \$34,000.
- (ii) On March 5, 2010, the Company announced it had closed a non-brokered private placement of 3,000,000 common shares at a price of \$0.08 per common share to raise gross proceeds of up to \$240,000. The shares were subject to a 4 months hold period from date issued. No warrants were issued. No finder's fee was paid in connection with the private placement. The private placement proceeds would be used for general working capital. As at March 31, 2010, proceeds for 2,400,000 shares of \$192,000 were received. Proceeds for the remaining 600,000 shares of \$48,000 were received in April 2010.

2009

- (i) On October 15, 2008, the Company issued the 2,000,000 units for certain intellectual property. Each unit consisting of one common share and one share purchase warrant exercisable at \$0.205 for a period of two years.
- (ii) In the second quarter of fiscal 2009, the Company determined that the operations of its Chinese subsidiaries were not aligned with the Company's current business strategy and, consequently, effective January 1, 2009, the Company sold its business operations in Headware and its 60% ownership interest in Jinhuae (collectively "Chinese Operations") to Mr. Zhongdong Zhou ("Mr. Zhou"), a director of the Company. Mr. Zhou paid cash of \$850,000 to the Company, and returned 11,400,000 of the Company's common shares (the "Shares") that were issued to Happy Clear Investments Ltd. ("Happy Clear") and Right Strong Investments Ltd ("Right Strong") pursuant to the Share Purchase Agreement dated June 22, 2007 between Right Strong, Happy Clear, First Fortune Capital Limited, Mr. Zhou, Fine High Group Ltd and the Company. The Shares had a fair value of \$342,000. Pursuant to the original acquisition agreement, 5,130,000 Shares remaining in escrow were returned to the Company.

The weighted average number of shares was as follows:

	3 Months Ended 31-Mar-10	3 Months Ended 31-Mar-09	9 Months Ended 31-Mar-10	9 Months Ended 31-Mar-09
	\$	\$	\$	\$
Weighted average number of common shares outstanding	45,708,482	56,461,235	45,221,844	55,656,360
Less: Employee Stock Bonus Plan Shares	-	(77,420)	-	(77,420)
	45,708,482	56,383,815	45,221,844	55,578,940

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)*

7. COMMON STOCK (continued)**b) Issued and Outstanding (continued)****2009 (continued)**

(iii) Based on a share escrow agreement dated September 28, 2007, the Company has the following shares held in escrow as at March 31, 2010:

Original shares held in escrow on Sept. 28, 2007	20,051,673
No. of shares released on Oct. 9, 2007	<u>2,005,167</u>
Balance as at Dec. 31, 2007	18,046,506
No. of shares released on Jan. 26, 2008	<u>3,007,751</u>
Balance as at June 30, 2008	15,038,755
No. of shares released on July 26, 2008	<u>3,007,751</u>
Balance as at December 31, 2008	12,031,004
No. of shares released on Jan. 26, 2009	<u>3,007,751</u>
Balance as at March 31, 2009	9,023,253
No. of shares returned on Apr. 23, 2009 on sale of China business	<u>5,130,000</u>
Balance as at June 30, 2009	3,893,253
No. of shares released on July 26, 2009	<u>1,297,751</u>
Balance as at Dec. 31, 2009	2,595,502
No. of shares released on Jan. 26, 2010	<u>1,297,751</u>
Balance as at March 31, 2010	<u><u>1,297,751</u></u>

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)***7. COMMON STOCK (continued)****c) Stock Options**

The Company has a stock option plan which provides for the granting of up to 10% of total issued and outstanding common shares of the Company for directors, officers, employees, advisors, and consultants to acquire common shares. These options are vested or will vest at various times over the next two fiscal years. At March 31, 2010, the outstanding stock options are limited to 4,772,381.

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2008	3,254,167	0.18
Exercised	(60,833)	0.15
Expired	(137,500)	0.15
Expired	(100,000)	0.18
Expired	(100,000)	0.20
Cancelled	(970,834)	0.15
Cancelled	(1,115,000)	0.18
Cancelled	(175,000)	0.20
Cancelled	(120,000)	0.25
Balance, June 30, 2009	475,000	0.21
Expired	(125,000)	0.20
Granted	3,235,000	0.10
Exercised	(340,000)	0.10
Balance, March 31, 2010	3,245,000	0.11

- (i) On August 15, 2009, 125,000 options granted on August 15, 2007 expired unexercised.
- (ii) On January 25, 2010, the Company granted 360,000 stock options to an officer and director at an exercise price of \$0.10 per share which will expire on January 25, 2011. 340,000 options were exercised for cash proceeds of \$34,000 on February 26, 2010.
- (iii) On February 16, 2010, the Company had granted incentive stock options to Directors, Officer, Employees, an Investor Relations Consultant and a Consultant, under terms of its Stock Option Plan, the right to purchase up to 2,875,000 common shares of the Company at \$0.10 per share until February 16, 2015. All options are vested within the next two fiscal years.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)***7. COMMON STOCK (continued)****c) Stock Options (continued)**

As at March 31, 2010, the following stock options were outstanding:

Exercise price	Weighted Average Remaining Contractual Life (years)	Number of options outstanding	Number of options exercisable
\$0.18	0.06	350,000	350,000
\$0.10	4.86	2,895,000	2,445,000
	4.34	3,245,000	2,795,000

Stock options outstanding as at March 31, 2010 expire between April 22, 2010 and February 16, 2015.

During the quarter ended March 31, 2010, stock-based compensation expense recognized by the Company was \$216,062 [2009 : \$489]. During the nine months ended March 31, 2010, stock-based compensation expense recognized by the Company amounted to \$216,062 [2009 : \$7,342]. Stock-based compensation is calculated by using the Black-Scholes Option Pricing Model.

d) Share Purchase Warrants

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2008	4,694,167	\$ 0.20
Expired	(3,527,500)	\$ 0.20
Warrants issued as purchase price of OpenBPM software	2,000,000	\$ 0.21
Balance, June 30, 2009 and March 31, 2010	3,166,667	\$ 0.20

On August 8, 2008, 3,090,000 share purchase warrants expired unexercised. 437,500 share purchase warrants expired on January 15, 2009 unexercised.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)***7. COMMON STOCK (continued)****d) Share Purchase Warrants (continued)**

As at March 31, 2010 the following share purchase warrants were outstanding and exercisable:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
1,166,667	\$ 0.170	2-Jun-10
2,000,000	\$ 0.205	15-Oct-10
3,166,667		

e) Brokers' Warrants

	NUMBER OF WARRANTS	WEIGHTE AVERAGE EXERCISE PRICE
Balance, June 30, 2008	125,250	\$ 0.20
Expired	(125,250)	\$ 0.20
Balance, June 30, 2009 and March 31, 2010	-	

No brokers' share purchase warrant was granted during the quarter and nine months ended March 31, 2010, and no brokers' warrant was outstanding as at March 31, 2010. On August 8, 2008, 111,500 brokers' share purchase warrants expired unexercised. 13,750 brokers' share purchase warrants expired on January 15, 2009 unexercised.

8. CAPITAL DISCLOSURE

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern including the preservation of capital and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital. The capital structure of the Company consists of all the components of shareholders' equity as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents. The Company's policy is to maintain sufficient cash to cover operating costs over a reasonable future period. In order to facilitate the management of its capital requirements, the Company monitors capital on the basis of the requirements to finance its operations.

There are no external restrictions on management of capital.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)*

9. COMMITMENTS

On July 22, 2004, the Company entered into a seven year premise lease that expires on November 1, 2011. The Company also has one equipment lease which expires on June 30, 2014. Upon the sale of the Company's Chinese Operations, the Company no longer has lease commitments in China. As at March 31, 2010, the approximate future minimum lease commitments for the next five fiscal years are as follows:

2010	\$ 7,493
2011	29,970
2012	10,452
2013	693
2014	693
	<hr/>
	\$ 49,301

10. RELATED PARTY TRANSACTIONS

The following related party transactions have been incurred in the normal course of operations and are measured at the exchange amounts, which are the amount of consideration agreed upon by the Company and the related parties:

- a) During the quarter ended March 31, 2010, directors, officers and companies controlled by officers and directors of the Company provided accounting, paralegal, and directors' services to the Company valued at \$28,750 [2009 : \$34,250]. For the nine months ended March 31, 2010, the amount was \$96,625 [2009 : \$101,000]. These charges are included in general and administrative expenses.
- b) During the quarter ended March 31, 2010, the Company recorded rent recoveries of \$15,855 [2009 : \$20,040] from two companies controlled by two directors of the Company up till the resignation of one of the directors for one of the companies on February 16, 2010. The rent recoveries for the nine months ended March 31, 2010 amounted to \$55,901 [2009 : \$55,051]. These rent recoveries are included in general and administrative expenses.
- c) As at March 31, 2010, a total of \$Nil [Year ended June 30, 2009 : \$18,000] is due to officers, directors and companies controlled by officers and directors.

OPEN EC TECHNOLOGIES, INC.

Notes to the Interim Consolidated Financial Statements

Period Ended March 31, 2010

*(Unaudited – See Notice)**(Expressed in Canadian dollars)***11. SEGMENTED INFORMATION**

The Company used to operate in two business segments: e-business in Canada and mobile commerce in China. Upon the sale of the Chinese Operations, there is only one continuing business segment comprised of the Company's Canadian operations.

a) Geographic segments

	Three Months ended March 31, 2010			Nine Months ended March 31, 2010		
	E-Business	Discontinued Operations	Total	E-Business	Discontinued Operations	Total
Revenue	\$ 184,180	\$ -	\$ 184,180	\$ 647,438	\$ -	\$ 647,438
Interest Revenue	1,806	-	1,806	1,963	-	1,963
Amortization of intangible assets	26,530	-	26,530	69,774	-	69,774
Amortization of property and equipment	1,505	-	1,505	4,137	-	4,137
Income Taxes Expense (Recovery)	-	-	-	-	-	-
Segment Net Profit (Loss)	(364,101)	-	(364,101)	(489,396)	-	(489,396)
Capital expenditures	12,494	-	12,494	15,176	-	15,176
Property and equipment	16,256	-	16,256	16,256	-	16,256
Total Assets	1,345,784	-	1,345,784	1,345,784	-	1,345,784

	Three Months ended March 31, 2009			Nine Months ended March 31, 2009		
	E-Business	Discontinued Operations	Total	E-Business	Discontinued Operations	Total
Revenue	\$ 285,368	\$ -	\$ 285,368	\$ 638,581	\$ 4,035,817	\$ 4,674,398
Interest Revenue	2	-	2	128	2,396	2,524
Amortization of intangible assets	21,622	-	21,622	65,469	178,372	243,841
Amortization of property and equipment	1,497	-	1,497	4,365	76,301	80,666
Income Taxes Expense (Recovery)	-	57,403	57,403	-	102,916	102,916
Segment Net Profit (Loss)	(26,438)	(1,830,603)	(1,857,041)	(183,645)	(1,768,269)	(1,951,914)
Capital expenditures	-	-	-	7,485	119,105	126,590
Property and equipment	19,208	-	19,208	19,208	-	19,208
Total Assets	1,897,757	-	1,897,757	1,897,757	-	1,897,757

b) Major customer

During the three months ended March 31, 2010, revenues from software development services from two major customer amounted to 33% [2009 : 5%] of total revenues. During the nine months ended March 31, 2010, revenues from software development services from those customers amounted to 13% [2009 : 4%] of total revenues.

12. SUBSEQUENT EVENTS

On April 28, 2010, the Company granted an investor relations consultant options to purchase up to 150,000 shares of the Company at \$0.15 per share until October 28, 2011.