Financial Statements of

CHARTER REALTY HOLDINGS LTD.

December 31, 2006 and 2005

Deloitte.

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Auditors' Report

To the Shareholders of
Charter Realty Holdings Ltd.

We have audited the balance sheets of Charter Realty Holdings Ltd. (the "Company") as at December 31, 2006 and 2005 and the statements of operations and deficit and of cash flows for the year ended December 31, 2006 and the period from March 29, 2005 to December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the year or period then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
March 1, 2007
(except for Note 8 which is as of March 9, 2007)

CHARTER REALTY HOLDINGS LTD.
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CHARTER REALTY HOLDINGS LTD.
Balance Sheets
As at December 31, 2006 and 2005

	December 31, 2006	December 31, 2005
ASSETS		
CURRENT		
Cash	**$ 805,127**	$ 412,523
Accounts receivable	**12,624**	4,779
Deferred costs	**34,322**	-
Prepaid expense	**921**	313
	$ 852,994	$ 417,615
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 83,858**	$ 13,913
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	**902,869**	408,659
Contributed surplus	**30,030**	20,405
Deficit	**(163,763)**	(25,362)
	769,136	403,702
	$ 852,994	$ 417,615

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"John F. Driscoll"
…………………………………… Director

"John Nestor"
…………………………………… Director

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

CHARTER REALTY HOLDINGS LTD.
Statements of Operations and Deficit
For the year ended December 31, 2006 and the period ended December 31, 2005

		Year ended December 31, 2006		Period ended December 31, 2005*
REVENUE				
Interest income	**$**	**20,562**	$	5,329
EXPENSES				
Incentive stock option compensation (Note 4)		**9,625**		14,405
General and administrative expenses		**149,338**		16,286
		158,963		30,691
LOSS BEFORE INCOME TAXES		**(138,401)**		(25,362)
PROVISION FOR INCOME TAXES (Note 7)		**-**		-
NET LOSS		**(138,401)**		(25,362)
DEFICIT, BEGINNING OF PERIOD		**(25,362)**		-
DEFICIT, END OF PERIOD	**$**	**(163,763)**	$	(25,362)
LOSS PER SHARE (Note 5)				
Basic	**$**	**(0.033)**	$	(0.012)
Diluted	**$**	**(0.033)**	$	(0.012)

* Results are for the period from March 29, 2005 to December 31, 2005.

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

CHARTER REALTY HOLDINGS LTD.
Statements of Cash Flows
For the year ended December 31, 2006 and the period ended December 31, 2005

	Year ended December 31, 2006	Period ended December 31, 2005*
OPERATING ACTIVITIES		
Net loss	**$ (138,401)**	$ (25,362)
Adjusted for non-cash items:		
Incentive stock option compensation	**9,625**	14,405
Net change in non-cash working capital		
Change in other assets and liabilities	**33,170**	8,821
Net cash used in operating activities	**(95,606)**	(2,136)
FINANCING ACTIVITIES		
Proceeds from issuance of Common shares (Note 3)	**500,000**	500,000
Cost of issuance of Common shares (Note 3)	**(11,790)**	(85,341)
Net cash provided by financing activities	**488,210**	414,659
NET INCREASE IN CASH DURING THE PERIOD	**392,604**	412,523
CASH, BEGINNING OF PERIOD	**412,523**	-
CASH, END OF PERIOD	**$ 805,127**	$ 412,523

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Income taxes paid	**$ -**	$ -
Interest paid	**$ -**	$ -

* Results are for the period from March 29, 2005 to December 31, 2005.

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

1. ORGANIZATION

Charter Realty Holdings Ltd. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 29, 2005 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange. The Company filed its Initial Public Offering on August 8, 2005 for the issuance of 1,500,000 Common shares at $0.20 per share to the public. The Company successfully completed the offering on August 22, 2005. On September 2, 2005 the Company was listed on the TSX Venture Exchange under the symbol “CRH.P”.

On September 14, 2006 the Company completed a private placement of 2,500,000 common shares at a price of $0.20 per share for aggregate gross proceeds of $500,000. The shares were acquired by C.A. Bancorp Inc. an entity which is under common control as the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements.

(a) Revenue recognition

Interest is recognized on an accrual basis as it is earned.

(b) Incentive stock options

The Company has an incentive stock option plan as described in Note 4. The Company follows the fair value method of accounting for the expense associated with the plan, whereby an estimate of the fair value of the stock options granted is measured and recorded as an expense over the vesting period or at the date of grant if options vest immediately, with the related offset recorded as contributed surplus. The effect of actual forfeitures of previously granted options is recognized as they occur. Any consideration paid to the Company with respect to the exercise of stock options is credited to share capital. For the purpose of accounting for incentive stock options Directors and officers of the Company are considered employees and other parties are considered non-employees.

(c) Income taxes

The Company uses the asset and liability method to provide for income taxes on all transactions recorded in the financial statements. The asset and liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax basis. Future income tax assets and liabilities are determined for each temporary difference and unused losses, as applicable, at substantively enacted tax rates expected to be in effect when the assets are realized or the liabilities are settled. A valuation allowance is established to reduce future income tax assets to the amount that is more likely than not to be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(e) Comparative figures

Certain comparative figures have been reclassified or restated to conform with the current year's presentation.

3. SHARE CAPITAL

Authorized:

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of First Preferred Shares without nominal or par value.

Issued:

Common Shares	Number of Shares	Gross Proceeds	Issue Costs	Net Proceeds
March 29, 2005	2,000,000	$ 200,000	$ -	$ 200,000
August 22, 2005	1,500,000	300,000	(91,341)	208,659
As at December 31, 2005	3,500,000	500,000	(91,341)	408,659
September 14, 2006 (See Note 1)	2,500,000	500,000	(5,790)	494,210
As at December 31, 2006	6,000,000	$ 1,000,000	$ (97,131)	$ 902,869

All the issued and outstanding Common Shares issued upon incorporation on March 29, 2005 as well as the shares issued on September 14, 2006, were in escrow pursuant to the terms of an Escrow Agreement and will be released from escrow in stages over a period of three years from the date of acceptance by the TSX Venture Exchange. Acceptance by the TSX Venture Exchange occurred in February 2007, pursuant to the completion of the Company's Qualifying Transaction as further described in Note 8.

At December 31, 2006, the CEO and Chairman of the Company indirectly or directly controls and/or beneficially owns approximately 23% of the outstanding Common Shares of the Company.

4. INCENTIVE STOCK OPTIONS

The Company has established a stock option plan for the benefit of directors, officers and employees of and consultants and service providers to the Company (the "Plan"). Pursuant to the Plan, the Board of Directors may allocate non-transferable options to purchase up to a maximum of 10% of the outstanding Common Shares of the Company. Options granted pursuant to the Plan are exercisable at a price not less than the market price of the Common Shares on the stock exchange on which such shares are traded less any applicable discounts permitted by the rules of such exchange. The maximum number of Common Shares which may be reserved for issuance to any one person under the Plan is 5% of the Common Shares outstanding at the time of grant. Any Common Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction as further described in Note 8, must be deposited in escrow and will be subject to the Escrow Agreement. No shares have been acquired pursuant to the exercise of options prior to the completion of the Company's Qualifying Transaction.

On September 15, 2005, the Company granted, to Directors, an aggregate of 215,000 options to purchase Common Shares at a price of $0.20 per share for a period of five years from the date of grant. The estimated fair value of these options on the date of grant was $14,405 and was charged to incentive stock option compensation on the statement of operations.

On September 2, 2005, pursuant to the public offering on August 22, 2005, the agent was granted a non-transferable option to purchase up to 150,000 Common Shares at $0.20 per share. The option will be exercisable at any time until September 2, 2007. The estimated fair value of these options on the date of grant was $6,000 and was charged to share issue costs.

On October 19, 2006 the Company granted to certain of its Directors, Officers and employees, an aggregate of 335,000 options to purchase Common Shares at a price of $0.24 per share for a period of five years from the date of grant. The options vest in equal proportions on each of the following three dates: October 19, 2006, October 19, 2007 and October 19, 2008. The estimated fair value of these options on the date of grant was $22,142 and the amortization of this fair value was $9,625 for the year ended December 31, 2006 and was charged to incentive stock option compensation on the statement of operations.

The fair value of the incentive stock options granted was estimated on the date of grant using a Black-Scholes option pricing model. In determining the fair value of options, management is required to make assumptions that could have a material impact on the valuation. The following are the assumptions: dividend yield of 0%; expected volatility of 25% to 30%; risk-free interest rate of 3.7% to 4.1%; and expected life of two to five years.

A summary of the status of the stock options as of December 31, 2006 and change during the period is presented below:

4. INCENTIVE STOCK OPTIONS (continued)

Employees incentive stock options

	Number of Shares	Exercise Price
Granted September 15, 2005	**215,000**	**$ 0.20**
Outstanding, as at December 31, 2005	**215,000**	
Granted October 19, 2006	**335,000**	**0.24**
Outstanding, as at December 31, 2006	**550,000**	

Non-employees incentive stock options

	Number of Shares	Exercise Price
Granted September 2, 2005	**150,000**	**$ 0.20**
Outstanding, as at December 31, 2005	**150,000**	
Outstanding, as at December 31, 2006	**150,000**	

The following table summarizes the information about the stock options outstanding as of December 31, 2006.

Outstanding Number of Shares	Expiry Date	Exercisable Number of Shares	Exercise Price
215,000	**September 15, 2010**	**215,000**	**$ 0.20**
150,000	**September 2, 2007**	**150,000**	**$ 0.20**
335,000	**October 19, 2011**	**111,667**	**$ 0.24**

5. WEIGHTED AVERAGE NUMBER OF SHARES AND LOSS PER SHARE

The weighted average numbers of shares outstanding for the year ended December 31, 2006 and loss per share were as follows:

	December 31, 2006	
	Weighted Average Number of Shares	Loss per Share
Basic	**4,239,726**	**$(0.033)**
Diluted*	**4,239,726**	**$(0.033)**

The weighted average numbers of shares outstanding for the period ended December 31, 2005 and loss per share were as follows:

	December 31, 2005	
	Weighted Average Number of Shares	Loss per Share
Basic	2,109,589	$(0.012)
Diluted*	2,109,589	$(0.012)

* The incentive stock options were excluded from the calculations of diluted earnings per share because they were anti-dilutive.

6. FINANCIAL INSTRUMENTS

The Company’s financial instruments are comprised of cash, accounts receivable and accounts payable. The carrying value of these financial instruments approximates their fair value.

7. INCOME TAXES

As at December 31, 2006, the Company had a loss of $138,401. The benefit from this loss has not been recognized in the financial statements. The provision for income taxes differs from the result which would be obtained by applying the combined Canadian Federal and Provincial statutory income tax rate to income before income taxes as follows:

	December 31, 2006	December 31, 2005
Loss before income taxes	**$ (138,401)**	$ (25,362)
Combined federal and provincial income tax rate	**36.12%**	36.12%
Expected income taxes	**(49,990)**	(9,161)
Permanent differences	**(3,107)**	508
Valuation allowance	**53,097**	8,653
Income taxes	**$ -**	**$ -**

8. SUBSEQUENT EVENTS

(a) Qualifying Transaction

On February 7, 2007, the Company filed a Filing Statement with the TSX Venture Exchange and on SEDAR for the purpose of completing its Qualifying Transaction. The Qualifying Transaction consists of a private placement of 15,000,000 Common Shares at a price of $0.20 per share for net proceeds of $2,935,000 (after estimated closing costs of $65,000), as well as the purchase (the “QT Acquisition”) of three free-standing commercial retail properties pursuant to an offer to purchase between the Company and Hensall District Co-operative, Inc. (“Hensall”). Pursuant to the QT Acquisition, the Company acquired the properties from Hensall, which are located in Exeter, Seaforth and Zurich, Ontario, for an aggregate cash purchase price of $2,065,000 (subject to customary adjustment).

Of the 15,000,000 Common Shares issued pursuant to the private placement, 11,725,000 were placed in escrow pursuant to the Escrow Agreement.

The Qualifying Transaction closed on February 23, 2007 and the Company now meets the TSX Venture Exchange’s tier 2 minimum listing requirements. As a result, Common Shares in escrow pursuant to the Escrow Agreement have been released in stages.

As part of the Qualifying Transaction, 1,000,000 options have been granted to certain of the Company’s directors, officers and employees. The options will vest in equal proportions over three years, and upon vesting, each option shall entitle the holder thereof to purchase one Common Share at a price of $0.20 until five years of the date of grant.

After the private placement, C.A. Bancorp Inc. owns approximately 57% of the outstanding Common Shares of the Company and the CEO and Chairman of the Company indirectly or directly controls and/or beneficially owns approximately 14% of the outstanding Common Shares of the Company.

8. SUBSEQUENT EVENTS (continued)

(b) Options granted

On February 28, 2007, the Company granted an aggregate of 150,000 options to certain of its Officers in connection with new appointments. The options shall vest in equal proportions on each of the following three dates: February 28, 2007, February 28, 2008 and February 28, 2009. Upon vesting, each option shall entitle the holder thereof to purchase one common share at a price of $0.20 until February 28, 2012.

(c) Méga Centre Acquisition

On March 9, 2007, the Company announced that it unconditionally agreed to acquire (the “Méga Centre Acquisition”) Méga Centre Côte-Vertu (the “Méga Centre”), a shopping centre in St. Laurent, Quebec from RRVP Côte -Vertu Inc. (“RRVP”). The Company also announced that KingSett Capital and C.A. Bancorp Inc. have agreed to provide the Company with acquisition facilities totaling $20 million (the “Acquisition Facilities”).

On February 28, 2007, the Company was assigned (the “Assignment”) the non-binding right to acquire Méga Centre by C.A. Bancorp Inc., which C.A. Bancorp Inc. held pursuant to a non-binding purchase and sale agreement between C.A. Bancorp Inc. and RRVP on January 26, 2007 (the “Agreement”). Pursuant to the Assignment, the Company agreed to pay to C.A. Bancorp Inc. on the closing date of the Méga Centre Acquisition, a fee in the amount of 0.5% of the Méga Centre purchase price (approximately $183,500) for identifying, negotiating and carrying out due diligence in respect of the Méga Centre Acquisition. RRVP is at arm’s length to the Company and to C.A. Bancorp Inc.

On March 9, 2007, the Company waived all purchase conditions in its favour under the Agreement. The Company will acquire the Méga Centre, which is located at the intersection of Côte -Vertu Boulevard and Rue Begin in St. Laurent, Quebec for an aggregate cash purchase price of $36.7 million (subject to customary adjustments). The acquisition of the Méga Centre is expected to close on March 30, 2007.

Total non-refundable deposits of $1.5 million have been paid, of which $1.25 million was financed through the CA Bancorp Facility (as defined below).

The Company signed a term sheet with a Canadian chartered bank to obtain a standard first mortgage loan in the amount of $27.525 million, secured by the property. The loan is for a 10-year term and is interest-only for the first two years. Thereafter, the loan will be amortized over a 30-year term. The loan will bear interest at a rate of 118 basis points over the 10-year Government of Canada bond rate.

8. SUBSEQUENT EVENTS (continued)

(c) Méga Centre Acquisition (continued)

The remainder of the purchase price will be financed through advances under the Acquisition Facilities, with approximately $6 million being drawn on the KingSett Facility (as defined below) and approximately $4.5 million being drawn on the CA Bancorp Facility. Subsequent to the completion of the Méga Centre Acquisition, the Company intends to raise additional equity which will be used both for the repayment of the outstanding amounts under the Acquisition Facilities and for the identification and acquisition of further commercial real estate properties.

KingSett Capital and C.A. Bancorp Inc. have each agreed to provide the Company with a $10 million acquisition facility. Approximately $10.5 million of the combined $20 million will be used to fund the Méga Centre Acquisition.

The KingSett Capital acquisition facility (the “KingSett Facility”) bears interest at an annual rate of 12% and has a 12-month term. Any principal amount drawn on the KingSett Facility is repayable without penalty, subject to a minimum four month interest payment. The KingSett Facility will be secured by a second mortgage on the Méga Centre, a first mortgage on the Company's QT Acquisition properties, and a general security agreement with the Company.

The C.A. Bancorp Inc. acquisition facility (the “CA Bancorp Facility”) bears interest at an annual rate of 12% and has a 2 year term. Any principal amount drawn on the CA Bancorp Facility is repayable at any time without penalty. The CA Bancorp Facility will be secured by a general security agreement with the Company, which is subordinate to the security held by other lenders. The Company has determined that the CA Bancorp Facility is on reasonable commercial terms and confirms that neither the principal of the CA Bancorp Facility nor the interest payable thereon is convertible, directly or indirectly, into equity or voting securities of the Company.