FORM 51-102F1

EMPOWER TECHNOLOGIES CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008

The following discussion and analysis, prepared as of May 27, 2008, should be read together with the unaudited interim consolidated financial statements for the thee month period ended March 31, 2008 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the audited financial statements and the Management Discussion and Analysis for the year ended December 31, 2007. Additional information relating to Empower, including the Annual Information Form filed June 19, 2007, is available on SEDAR at www.sedar.com.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. References in this document to “we”, “us”, “Empower” and “the Company” refer to Empower Technologies Corporation and its subsidiaries.

PERFORMANCE SUMMARY

Since the Company successfully created the core embedded system technologies and solutions, in prior periods, we are now focusing our efforts on developing new technologies, products, and solutions and on commercializing our core technologies. We operate in a dynamic marketplace where technology advances occur rapidly. We have developed and are developing products that we believe will have widespread acceptance. However, we have not yet had significant shipments. Our future as a company depends upon market acceptance of our products and technology.

The total expenses excluding stock-based compensation decreased to $680,903 for the three months ended March 31, 2008 (the “Quarter”), compared with $790,844 for the three month period ended March 31, 2007. Revenue increased to $17,632 for the Quarter, compared to $16,936 for the three month period ended March 31, 2007.

As at March 31, 2008, the Company had cash and cash equivalents of $256,823 compared to $774,830 at December 31, 2007.

The Company expects overall operating expenses will stay at current level in the foreseeable future until significant product shipments begin.

Furthermore, during the 1st quarter of 2008, our Company:

- Launched a new line of development kits: the EDK (Empower Development Kit), which replaces the successful LDK (LEOs Development Kit) series. The existing LDK591x series will continue to be available. The first in the EDK series is the EDK6446 development kit for Texas Instruments' (TI) dual-core TMS320DM6446, DM6443, and DM6441 DaVinci™ technology processors. The EDK6446 will help designers accelerate the development of digital video applications such as portable media players, set top-boxes, industrial handheld/tablets, video security and surveillance, automotive infotainment systems and video telephony.

- Launched three new portable navigation devices to meet the demands of the dynamic GPS market in North America. The technology was first shown at SEMA automotive aftermarket tradeshow in November of last year. All three new models feature a large 4.3” widescreen LCD touch panel:
    - P2000 - the basic model which features navigation, bluetooth hands-free and traffic advisory data;
    - P2200 - the photo unit that includes our basic unit's features, with a built-in camera to take pictures; and
    - P2800 - the executive unit which includes our basic unit's features, plus a wireless back up camera and iPod remote connectivity to enhance driving safety.

- Extended the expiry date of our common share purchase warrants issued on February 20, 2007, and February 27, 2007, (the “Warrants”) and scheduled to expire on February 20, 2008, and February 27, 2008, for an additional nine months. The amended exercise expiry date of the Warrants will now be the close of business on November 30, 2008 (5:00 p.m. PST). The exercise price for the Warrants remains at $0.90 per common share. The total number of Warrants issued pursuant to the private placement of February 2007 was 895,000 (exclusive of agents' warrants), and no Warrants were exercised prior to the extension of the expiry date.

- Completed our North American Sales force of manufacturer’s representatives with the signing of Maxima Consulting which covers all of Canada. There are now a total of eight manufacturer’s representatives covering the entire North American continent. Internationally, Empower has signed five regional resellers to cover Mainland China and Taiwan, Korea, India and Israel. The Company plans to add more resellers and distributors internationally as well as expand the sales network into Europe and South America.

- Signed a Volume Software Licensing Agreement with Navigon to enable Empower’s new P2xxx line of PNDs (Portable Navigation Devices) to ship with Navigon navigation software loaded in each unit. This volume software licensing agreement integrates Navigon’s leading edge navigation software with Empower’s latest automotive grade navigation software platform – “Euler”. Euler integrates a wide range of features besides navigation such as media player for MP3 and video, digital camera, photo viewer, iPod™ remote access connectivity, and rearview wireless camera. Navigon’s navigation software delivers an intelligent, premium navigation experience with features like intuitive menus, 2D or 3D maps, spoken turn-by-turn directions and street names via advanced text to speech, Lane Assistant and Automatic Speed Warnings as well as millions of pre-loaded points of interest.

RESULTS OF OPERATIONS

	Three month Period Ended March 31, 2008	Year Ended December 31, 2007	Three Month Period Ended March 31, 2007
Sales			
United States of America	$ 10,709	$ 148,825	$ 16,715
Canada	4,259	848	221
Asia	2,664	43,579	-
Europe	-	1,534	-
	17,632	194,786	16,936
Cost of Sales			
Cost of material sold	8,192	208,503	10,386
Write-down of inventory	116,309	385,277	-
	124,501	593,780	10,386
	(106,869)	(398,994)	6,550
Total expenses	767,885	3,482,917	883,241
Other items	2,012	8,951	1,510
Income (loss) for the period			
Canada	(864,988)	(3,744,902)	(860,254)
People's Republic of China	(43,470)	(84,162)	751
United States of America	35,716	(43,896)	(15,678)
	$ (872,742)	$ (3,872,960)	$ (875,181)
Loss per share	$ (0.02)	$ (0.11)	$ (0.02)
Total assets	$ 532,640	$ 1,129,338	$ 1,878,671

Revenue

In recent quarters, the Company's activities have shifted from the development of the Company's technology to commercialize the sales and marketing of LEOs, LDKxxxx, and EDKxxxx development platforms and the reference designs using LEOs. Revenues generated for the three months ended March 31, 2008 were $17,632, compared with $16,936 for the three months ended March 31, 2007. These sales are attributed to the ongoing execution of the Company’s decision to focus on the sales and marketing of the Company’s core enabling embedded technology and solutions.

Cost of sales

Cost of material sold during the Quarter was $8,192, compared with $10,386 for the period ended March 31, 2007. Excluding the write off of inventory, cost of material sold as a percentage of sales amounted to 46% in the Quarter, compared with 61% for the same quarter in 2007. The change is attributable to the efforts to improve our margins and lower our costs and the write off of certain inventory in previous periods. In addition to the cost of material sold during the Quarter, cost of sales includes $116,309 as a provision against the carrying value of inventory (2007 - $ nil). This inventory remains in the company's possession and much of it can be utilized in sales of Empower products, should those sales be realized. As certain of these items are still in use in the marketplace, the option exists for the company to sell them to distributors for resale. Management is investigating how best to realize the value of this inventory.

General and Administrative

General and administrative expenses without stock-based compensation and R&D costs for the three months ended March 31, 2008 decreased to $392,820 (2007 - $500,298) due to reduction in the number of administration staff. Advertising and promotion decreased to $28,813 (2007 - $61,778) due to new sales and marketing effort. Rent increased to $13,498 (2007 - $12,462) due to new rent agreement. Consulting fees decreased to $90,420 (2007 - $153,000) due to the Company's effort to reduce costs and the resulting engagement with new contractors and consultants.

Research and Development

Research and Development costs ("R&D costs") relating to the development of LEOs, adding new operating software, the EDK644x development kits, Euler Software Platform and new reference designs are expensed as incurred. R&D costs for the period ended March 31, 2008 were $288,083 compared to $290,546 for the period ended March 31, 2007.

Expenditures are expected to relate to regular maintenance, improvement and upgrade to the core technology LEOs and adding new embedded CPU platforms such as TI's DM6441 and OMAP3.

	Three Month Period Ended March 31, 2008	Three Month Period Ended March 31, 2007
Equipment and supplies	$ 11,548	$ 27,796
Rent	31,496	29,078
Salaries and benefits	245,039	233,672
	$ 288,083	$ 290,546

SIGNIFICANT PROJECTS

LEOs III
The next version of LEOs for Texas Instruments' (TI) latest DaVinci™ dual-core microprocessor – DM644x is completed and available to the market. It is now being continuously maintained and upgraded.

EDK3503 Development Kit

EDK (Empower Development Kit) replaces the successful LDK (LEOs Development Kit) series. The second in the EDK series for Texas Instruments' (TI) OMAP3 technology processors, it is now in full development. The EDK3503 will help designers accelerate the development of wireless and/or mobile always-on devices.

H1000
This mobile data terminal model was previously named "PowerPlay 1x and iH". The Company is redesigning this model. Besides the regular PDA functions, this new model will have wireless communication, RFID reader, UPC scanner, POS add-on capability. The "H1000" is targeted toward the industrial handheld market.

P2000 PND Family

This is the Portable Navigation Device ("PND") reference design we have developed using map engine technology licensed from our partner Navigon. The first prototype was exhibited at the SEMA2007 trade show in Las Vegas in Q4 of 2007. Three products are being offered, all featuring a large 4.3" widescreen LCD touch panels: P2000 (the basic model which features navigation, bluetooth hands-free and traffic advisory data), P2200 (the photo unit that includes our basic unit's features plus a built-in camera) and P2800 (the executive unit which includes our basic unit's features, plus a wireless back up camera and iPod™ remote connectivity). All P2xxxx family uses Empower's proprietary Euler Embedded Software Platform.

Euler Embedded Software Platform

Euler Embedded Software Platform is a new navigation system software technology featuring Navigon navigation software. It is made for navigation device developers, manufacturers and OEM/ODM'ers looking for ready made solutions. Euler, the world's most sophisticated features rich GPS device development platform, is highly customizable by the developers to have their own "Look and Feel".

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended March 31, 2008	Three Months Ended December 31, 2007	Three Months Ended September 30, 2007	Three Months Ended June 30, 2007
Total assets	$ 532,640	$ 1,129,338	$ 884,822	$ 944,625
Stock based compensation	86,982	91,272	80,230	16,521
Working capital	216,943	229,449	22,965	550,662
Shareholders' equity (deficiency)	(154,966)	245,497	147,223	683,131
Revenues	17,632	45,582	17,834	114,434
Net loss	(872,742)	(1,326,095)	(756,138)	(915,546)
Loss per share	$ (0.02)	$ (0.04)	$ (0.02)	$ (0.03)

	Three Months Ended March 31, 2007	Three Months Ended December 31, 2006	Three Months Ended September 30, 2006	Three Months Ended June 30, 2006
Total assets	$ 1,878,671	$ 1,024,654	$ 1,628,819	$ 2,668,439
Stock based compensation	92,397	50,980	58,275	98,821
Working capital	1,441,477	535,222	1,384,272	2,206,395
Shareholders' equity	1,582,156	681,875	1,559,571	2,386,199
Revenues	16,936	28,461	19,971	22,697
Net loss	(875,181)	(1,036,656)	(954,903)	(1,158,363)
Loss per share	$ (0.02)	$ (0.03)	$ (0.03)	$ (0.03)

SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005
Sales			
United States of America	$ 148,825	$ 71,912	$ (27,821)
Asia	43,579	5,390	2,407
Europe	1,534	-	13,890
Canada	848	7,836	15,270
	194,786	85,138	3,746
Cost of Sales			
Cost of material sold	208,503	128,101	103,082
Write-off of inventory	385,277	43,111	-
	593,780	171,212	103,082
	(398,994)	(86,074)	(99,336)
Total expenses	3,482,917	4,102,673	4,097,078
Other items	8,951	34,873	69,100
Loss for the period			
Canada	(3,744,902)	(3,825,696)	(3,675,968)
People's Republic of China	(84,162)	(163,566)	(236,751)
United States of America	(43,896)	(164,612)	(214,595)
	$(3,872,960)	$(4,153,874)	$(4,127,314)
Loss per share	$ (0.11)	$ (0.12)	$ (0.13)
Total assets	$ 1,129,338	$ 1,024,654	$ 4,613,921

Our operations throughout the years displayed above have been focused on the development of our technologies and promoting those technologies to product designers and engineers.

LIQUIDITY

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

		As at March 31, 2008		As at March 31, 2007
Deficit	$	(21,206,859)	$	(17,336,338)
Working capital	$	216,943	$	1,441,477

Net cash used in operating activities for the Quarter was $802,202 compared to net cash used of $704,907 for the three month period ended March 31, 2007. The increase in the use of cash was primarily caused by the first payment under the Navigon Software License Agreement and the purchase of inventory.

Net cash used in investing activities for the Quarter is $nil compared to net cash used in investing activities of $2,217 for the three month period ended March 21, 2007. There was only the purchase of a minor amount of capital equipment in 2007 and no purchases to March 31st in 2008.

Net cash generated by financing activities for the Quarter was $284,195 compared to net cash generated by financing activities of $1,586,963 for the three month period ended March 31, 2007. The cash generated during the current period consisted of common shares issued through the short form offering and loans advanced by an officer, partially offset by the repayment of other loans from that officer. The increase in 2007 was mostly due to the issue of common shares during the first quarter of 2007.

At March 31, 2008, the Company had $256,823 in cash and equivalents. The Company has been incurring operating losses (excluding stock-based compensation and amortization) at the average rate of $260,238 per month over the last three months.

CAPITAL RESOURCES

The authorized capital of the Company consists of unlimited common shares without par value. As at March 31, 2008, there were 39,738,254 common shares issued and outstanding.

Short Form Offering

The Company completed a Short Form Offering ("SFO") as of January 7, 2008 by closing the second tranche. The first tranche closed in December, 2007. The SFO was for up to 2,666,667 units (the "Units") at $0.75 per Unit, with each Unit consisting of one share and one half warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $0.90 per share. The warrants are non-transferable. The second tranche of the SFO resulted in the sale of 561,300 Units for gross proceeds of $420,975. The Company issued 84,195 agent's warrants (valued at $29,991), exercisable at $0.75 per share until January 7, 2010. The Company also paid $33,678 in agent's commissions and reimbursed the agent for $2,000 in legal and administration fees.

In this SFO, a total of 2,442,600 units were sold for gross proceeds of $1,831,950, before expenses of the SFO.

The following is the detail of the relevant estimated milestones and actual usage of funds to March 31, 2008.

DESCRIPTION OF USE OF PROCEEDS	Use of Proceeds Indicated in Short Form Offering Document	Use of Proceeds Pro-rated for Actual Gross Proceeds	Use of Proceeds as of March 31, 2008	Remaining Proceeds
Outstanding accounts payable	$ 260,000	$ 240,774	$ 240,774	$ -
Continuing marketing and sales expenses	200,000	185,215	125,215	60,000
Product development expenses	700,000	648,245	358,245	290,000
Unallocated general working capital	620,000	574,160	574,160	-
Total	$ 1,780,000	$ 1,648,394	$ 1,298,394	$ 350,000

During 2007, the Company completed a brokered private placement with Union Securities Ltd. ("the Agent"). The private placement was for 1,700,000 Units (the "Offering") at a price of $0.90 per Unit for total proceeds of $1,530,000. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant had an original exercise price of $1.25 with an original expiry date of February 20, 2008. The Company granted the Agent an Over-Allotment Option ("Over-Allotment Option") exercisable to February 27, 2007 to purchase 170,000 Units on the same terms as the Units in the offering. 90,000 of the Over-Allotment Options were exercised by the Agent immediately and the balance expired. The Agent's compensation included a commission of 8% of the gross subscription amount and the Over-Allotment Option. In addition, the Agent received 179,000 compensation options (the "Agent's Compensation Options" valued at $49,035) equal to 10% of all Units sold pursuant to the Offering and the Over-Allotment Option. Each Agent's Compensation Option entitles the Agent to purchase one Unit of the Company at $0.90 per Unit at any time prior to February 20, 2008. These Agent's Compensation Options expired unexercised.

The company has 895,000 warrants outstanding from the brokered private placement described above. The Company reduced the exercise price on these warrants from $1.25 to $0.90 and extended the expiry date to November 30, 2008. Thus, each warrant now entitles the holder to purchase one share of the Company at a price of $0.90 at any time on or before November 30, 2008.

The warrants described above represent a source of new equity capital for the Company in the event that market conditions lead to their being exercised.

As at March 31, 2008	Warrants	Exercise Price	Expiry Date	Amount
Warrants issued February 2007	895,000	$0.90	November 30, 2008	$ 805,500
Warrants issued December 2007	1,015,650	$0.90	December 19, 2009	914,085
Warrants issued December 2007	282,195	$0.75	December 19, 2009	211,646
Warrants issued January 2008	280,650	$0.90	January 7, 2010	252,585
Warrants issued January 2008	84,195	$0.75	January 7, 2010	63,146
	2,557,690			$ 2,246,962

To continue its operations, the Company will need to issue more debt, to have the support of warrant holders to exercise the warrants detailed above and/or to have the support of investors to acquire common stock that may be issued in the future. There is no certainty in any of the above.

Currently the Company is not committed to any material future capital expenditures.

OUTSTANDING SHARES

As at March 31, 2008, the Company has shares outstanding as follows:

	Shares
Authorized	
Unlimited common shares without par value	
Balance, December 31, 2007	39,176,954
Short form offering	561,300
Balance, March 31, 2008	39,738,254

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued directors' fees of $30,000 (three month period ended March 31, 2007 - $30,000) for services provided by directors and officers of the Company.

b) Recorded stock-based compensation of $60,820 (three month period ended March 31, 2007 - $66,324) for options granted to directors and officers of the company.

c) Paid or accrued consulting fees of $70,000 (three month period ended March 31, 2007 - $147,000) for services provided by directors and officers of the Company.

d) Paid compensation and benefits of $30,000 (three month period ended March 31, 2007 $30,000) included in research and development costs to an officer of the Company.

e) Paid or accrued interest of $3,442 (three month period ended March 31, 2007 - $nil) to an officer of the company on loans advanced to the Company

Included in current accounts payable is $32,427 (March 31, 2007 - $132,480) due to directors and officers of the Company.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant inter-company balances and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

Cash and equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents with high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. The Company believes that credit risk associated with cash is remote.

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset exceeds its fair value. For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group, at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

Allowance for receivables

The Company establishes an allowance for receivables on a specific account basis. The Company had no allowance for doubtful accounts as at March 31, 2008 or December 31, 2007.

Inventories

Inventories are carried at the lower of cost, using the weighted average method, and net realizable value. Inventories consist of material inventories; work in process and finished goods. The material inventory balances include electronic parts for research and development use. The work in process and finished goods balances include electronic consumer products.

Research and development expenses

Costs related to research, design and development of software products are charged to research and development expense as incurred. Software development costs are capitalized beginning when a product's technological feasibility has been established, which generally occurs upon completion of a working model, and ending when a product is available for general release to customers. All subsequent costs are expensed as incurred. The Company reassesses whether it has met the relevant criteria for deferral and amortization and whether there is any impairment in value at each reporting date.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated using the declining balance method at the following annual rates:

Computer equipment	30%
Furniture and equipment	20%
Leasehold improvements	25%
Tools	20%

Revenue recognition

i) Software - The Company recognizes revenue from packaged software and license fees when the software is delivered, title has passed and customer acceptance has occurred, there is persuasive evidence that an arrangement exists, the fee is fixed and determinable and collection is probable.

ii) Products - The Company generates revenue through the sale of electronic products. Revenue is recognized only when persuasive evidence for a sales arrangement exists (i.e., delivery of the product has occurred, the product fee is fixed or determinable and collection of the sale is reasonably assured).

Income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Foreign currency translation

The Company's subsidiaries whose functional currencies are other than the Canadian dollar are translated as integrated operations using the temporal method. Under this method, monetary items are translated into Canadian dollar equivalents at the exchange rate in effect at the balance sheet date, non-monetary items are translated at historical rates, and revenue and expense items are translated at exchange rates prevailing when such items are recognized in the statement of operations. Exchange gains or losses arising on translation of foreign currency items are included in operating results.

Stock-based compensation

The Company uses the fair-value method of accounting for all stock-based compensation.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases and loans payable. In April 2005, the CICA issued HB Section 3855, which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. In accordance with this new standard, the Company has classified its financial instruments as follows: cash and cash equivalents are classified as held-for-trading; accounts receivable are classified as loans and receivables; accounts payable and accrued liabilities are classified as other liabilities; obligations under capital leases are classified as other liabilities; and loans payable are classified as other liabilities. All are measured at fair value and changes in fair values are included in net earnings in the period in which they arise. Cash and cash equivalents are exposed to credit risk and these amounts are placed with major banks. The Company is not exposed to interest rate risk due to the short-term maturity of the financial instruments. Adoption of this standard had no impact on the Company's financial statements. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Certain operations of the Company are conducted in the People's Republic of China ("PRC"). As a result, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environments in the PRC, and by the general state of the PRC economy. The operations in the PRC are subject to different considerations and other risks not typically associated with companies in North America. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange. The Company's results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittances abroad and rates and methods of taxation, among other things.

CHANGES IN ACCOUNTING POLICIES

Adopted During 2008:

Inventories: In June 2007, the CICA issued HB Section 3031, which is effective for financial years beginning on or after January 1, 2008, to prescribe the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized as an asset and carried forward until the related revenues are recognized. This Section provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. Adoption of these new accounting provisions had no impact on the Company's financial position or results of operations.

Capital Disclosures: In December 2006, the CICA issued HB Section 1535 which establishes standards for disclosing information about an entity's capital and how it is managed. This new standard is effective for fiscal years beginning on or after October 1, 2007. This standard will affect certain disclosures in the Company's annual financial statements, but will have no impact on the Company's financial position and results of operations.

Financial Instruments – Disclosures: In December 2006, the CICA issued HB Section 3862 which requires entities to provide disclosures in their financial statements that enable users to evaluate:
(a) the significance of financial instruments for the entity's financial position and performance; and
(b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.
This standard is effective for fiscal years beginning on or after October 1, 2007. The Company has assessed how this standard will affect its future financial disclosures for the 2008 annual financial statements. We do not anticipate that this standard will have any impact on the Company's financial position or results of operations.

Financial Instruments – Presentation: In December 2006, the CICA issued HB Section 3863 which establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains and the circumstances in which financial assets and financial liabilities are offset. This standard is effective for fiscal years beginning on or after October 1, 2007. The Company has assessed that this standard will affect the future presentation of its financial instruments in the annual financial statements, but will have no impact on the Company's financial position or results of operations.

General Standards of Financial Statement Presentation: In June 2007, the CICA amended HB Section 1400 governing the overall standards to be applied to financial statement presentation, including requirements to assess and disclose an entity's ability to continue as a going concern. The new provisions are effective for fiscal years beginning on or after January 1, 2008 and affect certain disclosures in Note 2 to our financial statements for the period ended March 31, 2008.

Future Changes:

Goodwill and Intangible Assets: In February 2008, the CICA issued HB Section 3064 which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. This standard is effective for fiscal years beginning on or after October 1, 2008. The Company is assessing how this standard will affect its future financial disclosures. At March 31, 2008, the Company had no goodwill or intangible assets recorded on its balance sheet.

International Financial Reporting Standards ("IFRS"): On February 13, 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own Generally Accepted Accounting Principles. Interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 will need to conform with IFRS. The Company is monitoring these developments and is preparing to assess the impact on its financial statements of conversion to the new accounting standards

SUBSEQUENT EVENTS

Subsequent to March 31, 2008:

1. An officer advanced $128,000 to the Company through loans, bearing interest at 8.5% and repayable upon demand.

2. The Company announced its largest sale to date - a 5 year volume Purchase Order (PO) from Advantec Computer Systems, LLC (“Advantec”) under certain terms and conditions to supply industrial handheld computers to their Value Added Resellers (VAR). Under the Agreement, Advantec will distribute Empower’s OEM/ODM (“Original Equipment Manufacturer” / ”Original Design Manufacturer”) industrial handheld and tablet to the healthcare, hospitality, field repair, utilities, transportation, retail, public safety, government and other industrial vertically integrated customers through Advantec’s vast VAR and SI (“System Integrator”) distribution network. The sale from this five (5) year PO is valued at about $40 million US dollars.