GINSMS INC.

Annual Consolidated Financial Statements

(Audited)

Years ended March 31, 2013 and 2012

Management's Responsibility

To the Shareholders of GINSMS Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Audit Committee is composed of Directors who are neither management nor employees of the Company. The Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Corporation's external independent auditors.

GHP Horwath, P.C. is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external independent auditors have full and free access to, and meet periodically and separately with, the Board, the Audit Committee and management to discuss their audit findings.

July 29, 2013

/s/ "Joel Siang Hui Chin"
Chief Executive Officer

/s/ "Koon Fai Lam"
Chief Financial Officer

Crowe Horwath.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of GINSMS Inc.:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GINSMS Inc., and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of March 31, 2013, and the related consolidated statements of comprehensive loss, changes in equity (deficit), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Crowe Horwath.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GINSMS Inc., and its subsidiaries as of March 31, 2013, and the results of its financial performance and its cash flows for the year ended March 31, 2013, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

We draw attention to Note 4 to the consolidated financial statements, which describe the Company's acquisition of Inphosoft Group Pte. Ltd. Our opinion is not qualified in respect of this matter.

Other Matter

The consolidated financial statements of GINSMS Inc. for the year ended March 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on July 25, 2012.

GHP Horwath, P.C.

Denver, Colorado
July 29, 2013

GINSMS INC.

Consolidated Statements of Financial Position

As at,		**March 31, 2013**		March 31, 2012
Assets				
Current				
Cash	**$**	**965,917**	$	548,752
Accounts receivable and other		**1,070,793**		146,238
Prepaid expenses		**95,259**		69,659
		2,131,969		764,649
Non-current				
Property and equipment (note 5)		**32,886**		119,303
Development expenditures (note 6)		**639,341**		-
Goodwill (note 4)		**2,830,364**		-
Intangible assets – contracts (note 4)		**344,717**		-
Intangible assets – software (note 4)		**706,750**		-
	$	**6,686,027**	$	883,952
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**556,455**	$	149,742
Cash due on closing (note 4)		**400,000**		-
Promissory note payable (note 7)		**377,519**		-
		1,333,974		149,742
Non-current				
Deferred income tax liability (note 11)		**127,471**		7,835
Convertible debentures (note 8)		**5,595,139**		-
		7,056,584		157,577
Shareholders' Equity (Deficit)				
Share capital (note 9)		**939,386**		929,386
Subscriptions received (note 16)		**400,000**		-
Reserves (note 10)		**429,431**		429,431
Equity component of convertible debentures (note 8)		**35,776**		-
Accumulated other comprehensive (loss)		**(31,691)**		(23,645)
Deficit		**(2,143,459)**		(608,797)
		(370,557)		726,375
	$	**6,686,027**	$	883,952

Commitments (note 12)
Subsequent event (note 16)

On behalf of the Board:

(Signed) "Joel Siang Hui Chin", Director

(Signed) "Man Kon Lai", Director

GINSMS INC.

Consolidated Statements of Comprehensive Loss

For the years ended March 31,		2013		2012
Revenue	$	**1,302,915**	$	686,934
Cost of sales		**(400,908)**		(268,454)
		902,007		418,480
Expenses				
Salaries and wages (note 13)		**597,538**		137,573
Professional fees (note 13)		**648,860**		405,877
Consultancy fees (note 13)		**91,306**		154,305
General and administrative		**189,159**		66,073
Share-based compensation		**-**		43,729
Amortization		**327,092**		103,077
Foreign exchange (gain)		**(63,799)**		-
Finance expense (note 7 and 8)		**654,904**		-
		2,445,060		910,634
Loss before income taxes		**(1,543,053)**		(492,154)
Income tax expense (recovery) (note 11)				
Current		**(1,421)**		17,747
Deferred		**(6,970)**		(16,197)
		(8,391)		1,550
Net loss for the year		**(1,534,662)**		(493,704)
Other comprehensive income, net of tax				
Foreign currency translation adjustment		**(8,046)**		27,901
Comprehensive loss	$	**(1,542,708)**	$	(465,803)
Net loss per share				
Basic	$	**(0.04)**	$	(0.01)
Diluted		**(0.04)**		(0.01)
Weighted average number of shares outstanding				
Basic and diluted		**43,437,499**		43,337,499

GINSMS INC.

Consolidated Statements of Equity (Deficit)

For the year ended	Share Capital	Subscriptions received	Reserves	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at March 31, 2012	**$ 929,386**	**$ -**	$ 429,431	$ -	$ (23,645)	$ (608,797)	$ 726,375
Net loss for the year	**-**	**-**	-	-	-	(1,534,662)	(1,534,662)
Shares issued in connection with business acquisition (note 4)	**10,000**	**-**	-	-	-	-	10,000
Equity portion of convertible debentures	**-**	**-**	-	35,776	-	-	35,776
Subscriptions received	**-**	400,000	-	-	-	-	400,000
Other comprehensive loss	**-**	**-**	-	-	(8,046)		(8,046)
Balance at March 31, 2013	**$ 939,386**	**$** 400,000	$ 429,431	$ 35,776	$ (31,691)	$(2,143,459)	$ (370,557)

For the year ended	Share Capital	Warrants	Reserves	Equity component of convertible debentures	Accumulated comprehensive income (loss)	Deficit	Total equity
Balance at March 31, 2011	$ 929,386	$ 385,702	$ -	$ -	$ (51,546)	$ (115,093)	$ 1,148,449
Net loss for the year	-	-	-	-	-	(493,704)	(493,704)
Share-based compensation	-	-	43,729	-	-	-	43,729
Transfer on expiry of warrants	-	(385,702)	385,702	-	-	-	-
Other comprehensive income	-	-	-	-	27,901	-	27,901
Balance at March 31, 2012	$ 929,386	$ -	$ 429,431	$ -	$ (23,645)	$ (608,797)	$ 726,375

GINSMS INC.

Consolidated Statements of Cash Flows

For the years ended March 31,	2013	2012
Operating activities		
Net loss for the year	$ (1,534,662)	$ (493,704)
Items not affecting cash		
Deferred income tax (recovery)	(6,970)	(16,197)
Share-based compensation	-	43,729
Shares issued for costs related to business acquisition	10,000	-
Foreign exchange (gain)	(63,799)	-
Accretion on		
Promissory note payable	10,996	-
Convertible debentures	643,908	-
Amortization on		
Property and equipment	123,004	103,077
Intangible assets	180,000	
Development expenditures	24,088	-
	(613,435)	(363,095)
Changes in non-cash working capital		
Accounts receivable and other	55,158	6,565
Prepaid expenses and deposit	13,095	(34,389)
Accounts payable and accrued liabilities	165,076	81,819
Deposit	-	435,415
Income taxes payable	-	(17,846)
Net cash (used in) from operating activities	(380,106)	108,469
Financing activity		
Subscriptions received	400,000	-
Investing activities		
Cash acquired on acquisition	513,211	-
Development costs	(160,556)	-
Property and equipment	(20,960)	(1,385)
Net cash from (used in) investing activities	331,695	(1,385)
Effect of exchange rate changes on cash	65,576	18,797
Increase in cash	417,165	125,881
Cash, beginning of year	548,752	422,871
Cash, end of year	$ 965,917	$ 548,752
Supplemental cash flow information		
Cash interest received	$ -	$ -
Cash taxes paid	-	47,947

1. Description of business and continuing operations

GINSMS Inc. (the "Corporation") was incorporated in Alberta under the Canada Business Corporations Act on March 20, 2009. On June 9, 2009, the Corporation acquired 100% of the issued and outstanding common shares of Global Edge Technology Limited (Global) and continues operations through its subsidiary Global. The Corporation's head office is located at 14/F Hang Lung House, 184-192 Queen's Road Central, Hong Kong where its operations are conducted. The address of the Corporation's registered office is 1900, 215 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3. The Corporation's shares trade on the TSX Venture Exchange ("Exchange").

On September 28, 2012, the Corporation completed an arm's length share purchase agreement with Inphosoft Pte. Ltd. ("Inphosoft"), a private corporation governed by the laws of Singapore, to acquire all of the issued and outstanding shares of Inphosoft's wholly owned subsidiary, Inphosoft Group Pte. Ltd., which wholly owns the subsidiaries of Inphosoft Technology Sdn Bhd, Inphosoft Malaysis Sdn Bhd, PT Inphosoft Indonesia, and Inphosoft Singapore Pte Ltd.

Global is a private limited company incorporated in the British Virgin Islands. The address of its registered office is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The address of its principal place of business is 14/F., Hang Lung House, 184-192 Queen's Road Central, Hong Kong.

Inphosoft is a private company limited by share which was incorporated on September 18, 2009 under the Singapore Companies Act (Cap. 50, Statues of the Republic of Singapore). Inphosoft's head office, which also services as its registered office is located at 750C Chai Chee Road, #04-02, Technopark@ChaiChee, Singapore 469003.

The principal activities of the Corporation are the provision of inter-operator short message services (SMS) in Hong Kong, and the design and development of custom software (and related license fees, support and maintenance) primarily related to mobile data applications. Software and related revenues are primarily derived from customers in Singapore, Malaysia and Indonesia. The consolidated financial statements of the Corporation as at and for the years ended March 31, 2013 and 2012 comprise the Corporation and its subsidiaries.

2. Basis of presentation

These consolidated financial statements for the years ended March 31, 2013 and 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of July 25, 2013, the date the Board of Directors approved the statements.

Amounts are reported in Canadian dollars unless otherwise indicated.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period on a regular basis and with the information available. Management reviews its estimates including: financial instruments; useful life of property and equipment, recoverability of its accounts receivable and valuation of deferred income tax assets and fair value of options and warrants.

2. Basis of presentation

Measurement uncertainty (continued)

Actual results could differ from these estimates.

In determining the amount of the provisions where applicable, assumptions and estimates are made in relation to discount rates in the determination of impairment and for the convertible debentures, the expected costs and the expected timing of the costs.

Deferred tax assets relating to certain temporary differences are recognized when management considers it is probable that future taxable income will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimate is changed.

The Corporation's management determines the estimated useful lives and related depreciation charges for its property and equipment based on the historical experience of the actual useful lives of property and equipment of similar nature and function. Management will increase the depreciation charge where useful lives are less than previously estimated amounts.

The estimated fair value of the Corporation's financial assets and liabilities, are by their very nature, subject to measurement uncertainty.

Assumptions used in the determination of the fair value of stock options and warrants issued are based on the estimates of the volatility of the Corporation's stock price, expected lives of the options and warrants, excepted dividends, risk free rates, and other relevant assumptions.

3. Summary of significant accounting policies

The accounting polices set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Corporation.

(a) Principles of consolidation

The consolidated financial statements as at March 31, 2013, and 2012, include the accounts of the Corporation, includes its 100% owned subsidiary, Global Edge Technology Limited, its 100% owned subsidiary Redstone Resources Limited, its 100% owned subsidiary GIN International Limited, and its 100% owned subsidiary Guangzhou Tai Eng Information Technology Limited in the People's Republic of China, together referred to as the "Corporation".

On September 28, 2012, the Corporation completed an arm's length share purchase agreement with Inphosoft Pte. Ltd. ("Inphosoft"), a private corporation governed by the laws of Singapore, to acquire all of the issued and outstanding shares of Inphosoft's wholly owned subsidiary, Inphosoft Group Pte. Ltd which wholly owns the subsidiaries of Inphosoft Technology Sdn Bhd, Inphosoft Malaysia Sdn Bhd, PT Inphosoft Indonesia, and Inphosoft Singapore Pte Ltd. The results of Inphosoft have been included with the results of the Corporation since September 28, 2012.

All intercompany balances and transactions have been eliminated upon consolidation.

3. **Summary of significant accounting policies (continued)**

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash held in commercial bank accounts, bank overdraft, and short-term investments with maturity, at the time of purchase, of less than three months.

(c) Revenue recognition

Revenue is generally recognized when collection is probable and can be measured reliably, as follows:

- Service fee income is recognized when services are rendered and all significant risks are transferred to the customers.
- Sales incentives or other considerations given to customers are recorded as a reduction of sales in the year that they are incurred.
- Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

With respect to contracts for the design and development of software, when the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date (the percentage of completion method).

The outcome of a software contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognized only to the extent of contract costs incurred that is likely to be recoverable and contract costs are recognized as an expense in the period in which they are incurred. An expected loss on the construction contract should be recognized as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

Contract revenue comprises the initial amount of revenue agreed to in the contract and any variations in the contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they can be measured reliably. A variation or a claim is recognized as contract revenue when is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the services performed to date based on labor hours incurred as at balance sheet date, as a proportion of total services.

The aggregate of costs incurred and the profit/loss recognized on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognized profit (less recognized losses) exceed progress billings, the balance is shown as amount due from customers for contract work. Where progress billings exceeds costs incurred and recognized profit (less recognized losses), the excess is shown as amount due to customers for contract work.

3. Summary of significant accounting policies (continued)

(d) Compound financial instruments

The component parts of compound instruments issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. Transaction costs that relate to the issue of the convertible debentures are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the terms of the convertible debentures using the effective interest method.

(e) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost to the Corporation of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Corporation. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Corporation operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive loss as they become payable in accordance with the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Corporation in an independently administered fund. The Corporation's employer contributions vest fully with the employees when contributed into the MPF scheme.

(f) Valuation of equity units issued in private placements

The Corporation uses the Black-Scholes method to value any warrants and broker warrants issued in private placements. The fair value assigned to warrants is recorded as a reduction to share capital and an increase to warrants. The fair value assigned to broker warrants is recorded as share issue costs and an increase to warrants. Upon expiry, the value of the warrants and broker warrants are transferred to reserves.

(g) Earnings (loss) per share

Earnings (loss) per share is calculated by dividing the net income (loss) for the period attributable to the common shareholders of the Corporation by the weighted average number of common shares outstanding. The diluted weighted average number of common shares outstanding is calculated by taking into account the dilution that would occur if the securities or other agreements for the issuance of common shares were exercised or converted into common shares at the later of the beginning of the period or the issuance date unless it is anti-dilutive. The Corporation has one category of dilutive potential common shares which are share warrants, which were all anti-dilutive as at March 31, 2013 and 2012

3. Summary of significant accounting policies (continued)

(h) Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and assets that have indefinite lives or that are not yet available for use are tested for impairment annually and reviewed for impairment at each reporting date.

The recoverable amount of an asset or cash generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. The recoverable amount is determined for an individual asset; unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In such case, the recoverable amount is determined for the CGU the asset belongs to.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset and or the CGU. For the purposes of impairment testing, the goodwill acquired in a business combination is allocated to CGUs, which generally corresponds to its operating segments or one level below, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

An impairment loss is recognized if the carrying amount of an asset of its CGU exceeds its estimated recoverable amount. Where the recoverable amount of a CGU to which goodwill has been allocated is lower than the CGU's carrying amount, the related goodwill is impaired. Any remaining amount of impairment exceeding the impaired goodwill is recognized on a pro rata basis of the carrying amount of each asset in the respective CGU. Impairment losses are recognized in income.

The Corporation evaluates impairment losses, other than goodwill, for potential reversals at each reporting date. An impairment loss is reversed if there is any indication that the loss has decreased or no longer exists due to changes in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such reversal is recognized in income.

(j) Capital disclosures

The Corporation is required to disclose information about its capital and how it is managed. These standards require an entity to disclose the following:

- Its objectives, policies and processes for managing capital;
- Summary quantitative data about what it manages as capital;
- Whether during the period it complied with any externally imposed capital requirements to which it is subject;
- When the entity has not complied with such requirements, the consequences of non-compliance.

3. Summary of significant accounting policies (continued)

(k) Property and equipment

Property and equipment are recorded at cost less any accumulated depreciation and any accumulated net impairment losses. Costs include expenditures that are directly attributable to the acquisition or manufacturing of the item. The cost of an item of property and equipment that is initially recognized includes, when applicable, the initial present value estimate of the costs required to dismantle and remove the asset and restore the site on which it is located at the end of its useful life. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits are present and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognized in income as incurred.

A loss on disposal is recognized in income when the carrying value of a replaced item is derecognized, unless the item is transferred to inventories. If it is not practicable to determine the carrying value, the cost of the replacement and the accumulated depreciation calculated by reference to that cost will be used to derecognize the replaced part. Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with its carrying amount, and are recognized net within other gains and losses.

The different components of property and equipment are recognized separately when their useful lives are materially different and each such component is depreciated separately in income. Leased assets are depreciated over the shorter of the lease term and their useful lives. If it is reasonably certain that the Corporation will obtain ownership by the end of the lease term, the leased asset is depreciated over its useful life. Land is not depreciated. Amortization is provided at rates and periods designed to amortize the costs of the assets over their estimated useful lives using the straight-line method, at the following rates per annum:

		Residual value
Leasehold improvements	25%	Nil
Computer equipment and software	25%	Nil
Furniture and fixtures	25%	Nil

Depreciation methods, useful lives and residual values, when applicable, are reviewed and adjusted, if appropriate, on a prospective basis at each reporting date.

(l) Share-based compensation

The Corporation has a stock option plan as described in Note 10. Awards of share options to employees and non-employees are accounted for in accordance with the fair value method of accounting for share-based compensation. Awards of share based payments to non-employees are recorded for an amount equivalent to the fair value of the services provided. The fair value of share options is determined using the Black-Scholes option-pricing model. Under the fair value method, the amount to be recognized as expense is determined at the time the options are issued and recognized in earnings over the vesting period of the options with a corresponding increase in reserves. Each tranche in an award is considered a separate grant with its own vesting period and grant date fair value. Consideration paid by directors, officers and key employees and consultants on the exercise of share options is credited to share capital together with the amount previously recognized in reserves. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

3. Summary of significant accounting policies (continued)

(m) Foreign currency translation

Functional and presentation currency

The functional currencies of the Corporation's subsidiaries are the local currencies in the subsidiaries jurisdictions. The primary currencies are the Hong Kong Dollar ("HKD") and the Singapore Dollar ("SD"), from the September 28, 2012 date of the business acquisition. These currencies are freely convertible into foreign currencies. Accordingly, for financial statement purposes, the consolidated financial statements of the Corporation which are prepared using the functional currency have been translated into Canadian dollars, the presentation currency of the Corporation. Assets and liabilities are translated at exchange rates at the statement of financial position dates, revenue and expenses are translated at the average exchange rates and capital and statutory capital reserve are translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income (loss) but are included in foreign exchange adjustment to other comprehensive income (loss), a component of shareholders' equity.

The exchange rates adopted are as follows:

HKD	**March 31, 2013**	**March 31, 2012**
End of year exchange rate	7.6338	7.7712
Average exchange rate	7.7502	7.8321

SD	**March 31, 2013**
End of year exchange rate	1.2452
Average exchange rate	1.12216

Transactions in foreign currencies

Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign currency balances are translated at year-end exchange rates for monetary items and at historical rates for non-monetary items. Revenues and expenses are translated using average exchange rates prevailing at the time of the transaction. All exchange gains and losses are charged to earnings.

(n) Financial instruments

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Corporation becomes a party to contractual provisions of the instrument. On initial recognition, all financial instruments must be measured at fair value.

The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. The best evidence of fair value at initial recognition is the transaction price (i.e., the fair value of the consideration given or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When there is a difference between the fair

3. Summary of significant accounting policies (continued)

(n) Financial instruments (continued)

value of the consideration given or received at initial recognition and the amount determined using a valuation technique, such difference is recognized immediately in operations unless it qualifies for recognition as some other type of asset or liability. Subsequent measurement of the financial instruments is based on their classification as described below. Financial assets and financial liabilities are classified into one of these five categories: fair value through profit and loss, held-to-maturity investments, loans and receivables, other financial liabilities and available-for-sale. The determination of the classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to the initial recognition.

Financial instruments at fair value through profit and loss
Financial instruments classified at fair value through profit and loss (FVTPL) are carried at fair value at each reporting date with the change in fair value recorded in income. The FVTPL classification is applied when a financial instrument: is a derivative, including embedded derivatives accounted for separately from the host contract, but excluding those derivatives designated as effective hedging instruments; Has been acquired or incurred principally for the purpose of selling or repurchasing in the near future; Is part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or Has been irrevocably designated as such by the Corporation (fair value option).

Held-to-maturity investments, loans and receivables and other financial liabilities
Financial instruments classified as held-to-maturity investments, loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Interest income or expense is included in income in the period.

As a result, the following classifications were determined:

- Cash is classified as FVTPL;
- Accounts receivable and other receivables are classified as loans and receivables ("L&R");
- Accounts payable and accrued liabilities and due to a shareholder are classified as other financial liabilities which are measured at amortized cost using the effective interest rate method;
- To date, the Corporation has not classified any financial asset as held-to-maturity or available for sale.

Transaction costs
Transaction costs that are directly related to the acquisition or issuance of financial assets and financial liabilities (other than those classified as FVTPL) are included in the fair value initially recognized for those financial instruments. These costs are amortized to income using the effective interest rate method.

Offsetting of financial assets and financial liabilities
Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position when the Corporation has a legally enforceable right to set off the recognized amounts and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously. The Corporation has not offset any financial assets or liabilities in the consolidated statement of financial position.

3. Summary of significant accounting policies (continued)

(n) Financial instruments (continued)

Impairment of financial assets

At each reporting date, the carrying amounts of the financial assets other than those to be measured at FVTPL are assessed to determine whether there is objective evidence of impairment. Impairment losses on financial assets carried at cost are reversed in subsequent periods if the amount of loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(o) Provisions

Provisions for restructuring costs and legal claims, where applicable, are recognized separately in the statement of financial position when the Corporation has a legal, equitable or constructive obligation to make a future outflow of economic benefits to others as a result of past transactions or past events, if it is probable that a future outflow of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date using a discounted cash flow methodology. Provisions are not recognized for future operating losses. The Corporation has no provisions recognized in the consolidated statement of financial position.

(p) Income taxes

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(q) Development expenditures

Intangible assets with finite lives are amortized on a straight-line basis over the estimated useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.

3. Summary of significant accounting policies (continued)

(q) Development expenditures (continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Research costs are expensed as incurred. Deferred development expenditure arising from development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the development expenditure as an intangible asset, it is carried at cost less accumulated amortization and any accumulated impairment losses. Amortization of the intangible asset begins when development is complete and the asset is available for use. Development expenditures have a finite useful life of five years and are amortized over the period of expected sales from the related project on a straight line basis.

Development expenditures not available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amounts may be impaired either individually or at the cash-generating unit level. Such development expenditures are not amortized.

(r) Business combinations

Business combinations are accounted for under the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Corporation at the date control is obtained. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than share and debt issue costs, are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

The excess of the consideration transferred over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill.

Contingent consideration classified as provision is measured at fair value, with subsequent changes herein recognized in income. If the contingent consideration is classified as equity, it is not re-measured until it is finally settled within equity.

New information obtained during the measurement period, up to 12 months following the acquisition date, about facts and circumstances existing at the acquisition date will be accounted for as an adjustment to goodwill; otherwise, it will be recognized in income.

The Corporation treats transactions with non-controlling interests as transactions with equity owners of the Corporation. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

3. Summary of significant accounting policies (continued)

(r) Business combination (continued)

The intangibles assets related to contracts and software are amortized on a straight-line basis over the estimated lives of 2 and 5 years, respectively. For the year ended March 31, 2013 the Corporation recorded amortization of $100,000 and $80,000 for the intangible assets related to the contracts and software, respectfully.

(s) Recent accounting pronouncements

The following pronouncements and amendments are effective for annual periods beginning on or after January 1, 2013 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the consolidated financial statements.

(a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

(b) IFRS 10 – Consolidation replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(c) IFRS 11 – Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas joint operations, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(d) IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and introduces additional disclosures addressing the nature of, and risks associated with, an entity's interests in other entities.

(e) IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

(f) IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements

(g) IAS 28 – Investments in Associates and Joint Ventures has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

(h) IAS 1 – Presentation of Financial Statements amendment requires components of other comprehensive income to be separately presented between those that may be reclassified to income and those that will not. The amendments are effective for annual periods beginning on or after July 1, 2012.

(i) IAS 32 and IFRS 7 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments for IAS 32 and IFRS 7 are effective for annual periods beginning on or after January 1, 2014 and January 1, 2013, respectively.

4. Business acquisition transaction

Share purchase agreement

On September 28, 2012, the Corporation completed a share purchase agreement with Inphosoft Pte. Ltd. (“Inphosoft”), a private corporation governed by the laws of Singapore, to acquire all of the issued and outstanding shares of Inphosoft’s wholly owned subsidiary, Inphosoft Group Pte. Ltd., for a total consideration of $11.3 million. The purchase consideration consists of the following:

- $400,000 in cash due on closing, for which the cheque was issued subsequent to March 31, 2013.
- $10,500,000 in convertible debentures, of which $6,500,000 were issued to Inphosoft, and the remaining $4,000,000 were issued to Inphosoft and delivered to the agent (note 8).
- $400,000 in a non-interest bearing promissory note payable after the first year anniversary date of the closing date. The note has a present value of $366,523 based on a discount rate of 6%.

Each non-interest bearing debenture has a term of three years and may not be converted if the result of conversion will result in the debenture holder holding more than 10% of the issued and outstanding shares, or with any person or group acting jointly or in concert will hold more than 20% of the issued and outstanding common shares of the Corporation.

The convertible debentures are redeemable at $0.10 per common share by the Corporation at any time prior to their maturity. The payment shall not be made by GINSMS prior to 10 business Days from the delivery of a redemption notice to Inphosoft; during which period Inphosoft can convert all or any part of the principal amount of convertible debentures into common shares.

In addition, debentures in the principal amount of $4,000,000 were deposited at closing in escrow and will be released upon the achievement of certain established profit levels over the next two years.

The first $2 million will be released if profit of $600,000 is obtained per the December 31, 2011 audited financial statements of Inphosoft, which was successfully obtained. The remaining $2 million will be released if profit of $1,250,000 is achieved per the March 31, 2013 audited financial statements and for the fifteen-month period then ended prepared in accordance with IFRS, otherwise, for every $1 of profit, $1.6 of escrowed debentures will be released.

All costs of the transaction, including legal, accounting, professional advisory fees, transfer agent, and other were expensed during the year ended March 31, 2013; including the issuance of 200,000 common shares at a fair value of $10,000.

The proceeds described above had a total present value of $5,753,530 at the date of issuance, as outlined below, based on the convertible debentures having a three year repayment schedule and an implicit rate of 25.32%, determined based on an independent valuation report incorporating a discount rate for similar obligations and the contingent nature of a portion of the debentures. This present value represents the acquisition price at September 28, 2012 by the Corporation of all the issued and outstanding shares of Inphosoft. The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition. This table represents the preliminary accounting for the acquisition and may be adjusted in the period not to exceed one year from the date of acquisition:

4. Business acquisition transaction (continued)

Identifiable assets (liabilities acquired)

Cash	$	513,211
Accounts receivable		978,039
Prepaid expenses		37,713
Property and equipment		17,506
Development expenditures		510,451
Intangible assets – contracts		444,717
Intangible assets – software		786,750
Goodwill		2,830,364
Accounts payable and accrued liabilities		(238,745)
Deferred tax liabilities		(126,476)
	$	5,753,530

Consideration given up

Cash due on purchase	$	400,000
Convertible debentures		
Issued to vendor		3,730,064
Issued to escrow agent		1,221,167
Equity portion of debentures		35,776
Promissory note		366,523
	$	5,753,530

Business combinations are accounted for under the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Corporation at the date control is obtained.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than share and debt issue costs, are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

The excess of the consideration transferred over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill.

5. Property and equipment

March 31, 2013 **Cost**	**Leasehold improvements**	**Computer equipment and software**	**Furniture and fixtures**	**Total**
Balance, beginning of year	**$ 81,543**	**$ 533,650**	**$ 2,238**	**$ 617,431**
Exchange differences	**1,364**	**8,924**	**37**	**10,325**
Additions	**-**	**38,466**	**-**	**38,466**
Write-off	**(82,907)**	**-**	**(2,275)**	**(85,182)**
Balance at March 31, 2013	**$ -**	**$ 581,040**	**$ -**	**$ 581,040**

March 31, 2013 **Accumulated depreciation**	**Leasehold improvements**	**Computer equipment and software**	**Furniture and fixtures**	**Total**
Balance, beginning of year	**$ 47,040**	**$ 448,850**	**$ 2,238**	**$ 498,128**
Exchange differences	**787**	**11,380**	**37**	**12,204**
Amortization for the year	**35,080**	**87,924**	**-**	**123,004**
Write-off	**(82,907)**	**-**	**(2,275)**	**(85,182)**
Balance March 31, 2013	**-**	**548,154**	**-**	**548,154**
Net book value at March 31, 2013	**$ -**	**$ 32,886**	**$ -**	**$ 32,886**

March 31, 2012 Cost	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ 79,101	$ 516,523	$ 2,171	$ 597,795
Exchange differences	2,442	15,742	67	18,251
Additions	-	1,385	-	1,385
Balance at March 31, 2012	$ 81,543	$ 533,650	$ 2,238	$ 617,431

March 31, 2012 Accumulated depreciation	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ 26,874	$ 354,176	$ 2,171	$ 383,221
Exchange differences	830	10,933	67	11,830
Amortization for the year	19,336	83,741	-	103,077
Balance at March 31, 2012	47,040	448,850	2,238	498,128
Net book value at March 31, 2012	$ 34,503	$ 84,800	$ -	$ 119,303

6. Development expenditures

	Cost	Accumulated Depreciation	Total
Balance, September 30, 2012	$ 510,451	$ -	$ 510,451
Additions	160,556	-	160,556
Amortization	-	(24,088)	(24,088)
Translation difference	(8,694)	1,116	(7,578)
Balance at March 31, 2013	**$ 662,313**	**$ (22.972)**	**$ 639,341**

7. Promissory note payable

	March 31, 2013
Balance, September 30, 2012	$ 366,523
Accretion for the year	10,996
Balance at March 31, 2013	$ 377,519

The Corporation as part of the transaction issued a $400,000 non-interest bearing promissory note payable due on the first year anniversary date of the closing date. The note had an initial present value of $366,523 with accretion recorded at an annual interest rate of 6%.

8. Convertible debenture

	March 31, 2013
Balance, September 30, 2012	$ 4,951,231
Accretion for the year	643,908
Balance, March 31, 2013	$ 5,595,139

The face value of the convertible debentures issued as part of the transaction is $10.5 million. The convertible debentures are outstanding for a period of three years from date of closing and are non-interest bearing, convertible at any time into common shares at $0.10 per share. The value assigned to the conversion option for the convertible debentures is $35,776.

Accretion has been recorded at the implied interest rate of 26.01%.

9. Share capital

Authorized:

Unlimited common shares

Unlimited preferred shares, non-voting, non-participating, non-cumulative dividends, redeemable and retractable at the amount paid thereon

Issued:

	2013 Shares	2013 Amount	2012 Shares	2012 Amount
Balance, beginning of year	**43,337,499**	**$ 929,386**	43,337,499	$ 929,386
Issued for costs related to the business acquisition (note 4)	**200,000**	**10,000**	-	-
Balance, end of year	**43,537,499**	**$ 939,386**	43,337,499	$ 929,386

Share purchase warrants

A summary of warrants as at March 31, 2013 and 2012, and the changes during the years then ended are as follows:

	2013	2012
Balance, beginning of the year	**$ -**	$ 385,702
Transfer to reserves on expiry of warrants	**-**	(385,702)
Balance, end of year	**$ -**	$ -

During the year ended March 31, 2012, 5,668,750 share purchase warrants exercisable into common shares at a price of $0.20 per share and 907,000 broker warrants exercisable into common shares at a price of $0.15 per share expired unexercised.

For the years ended March 31, 2013 and 2012, all outstanding warrants and options to purchase common shares that were outstanding during the respective periods were not included in the calculations of the weighted average number of shares outstanding as they were anti-dilutive.

10. Reserves

The Corporation has adopted a stock-option plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Corporation and its subsidiaries, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Corporation, for a period of up to ten years from the date of the grant. It is at the discretion of the Board of Directors of the Corporation to determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

10. Reserves (continued)

Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than ¼ of the options vesting in any three month period. The number of common shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares.

If an optionee ceases to be a director, officer, or technical consultant of the Corporation for any reason other than death, the optionee may exercise options at the date of the cessation of the optionee's position or arrangement with the Corporation, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

During the year ended March 31, 2012, the Corporation granted 1,375,000 options at $0.10 per share to directors and officers of the Corporation exercisable for a period of 10 years. The fair value is recognized as share-based compensation over the related vesting period of the options which is one half on each of the first two anniversary date of the options.

On January 5, 2012, the Corporation passed a resolution making all 1,375,000 outstanding directors and officers options immediately vested and exercisable. All other terms of the options remained unchanged from the original grant.

The total estimated fair value of these options as calculated using the Black-Scholes option pricing model is $43,729 which has been charged to operations for the year ended March 31, 2012.

	Exercise Price	Number of options	Fair value recorded
Balance, March 31, 2011		**-**	**$ -**
Granted to directors and officers	**$ 0.10**	**1,375,000**	**43,729**
Transfer on expiry of warrants		**-**	**385,702**
Balance, March 31, 2012 and 2013		**1,375,000**	**$ 429,431**

As of March 31, 2013, the weighted average remaining contractual life for the 1,375,000 options outstanding to directors and officers is 8.3 years with all options being fully exercisable.

The following weighted average assumptions were used for valuing options granted during the year ended March 31, 2012:

	Directors and Officers
Risk-free interest rate (based on five years Bank of Canada bond yield)	2.20%
Expected volatility (based on expected volatility)	120%
Dividend yield (based on management 's expectations over the next year)	0%
Forfeiture rate (Based on management's expectation over the contract terms)	0%
Expected life of each option granted (based on contract terms)	6 years

11. Income taxes

a) Provision for income taxes

The provision for income taxes differs from the combined Canadian and foreign rates as follows:

						2013
		Canadian		**Foreign**		**Combined**
Income (loss) before income taxes	**$**	**(1,229,285)**	**$**	**(133,768)**	**$**	**(1,363,053)**
Income tax rates		**25.00%**		**16.50%**		**24.14%**
Computed income tax (recovery) expense		**(307,000)**		**(22,000)**		**(329,000)**
Increase (decrease) resulting from:						
Non-deductible expenses		**239,000**		**19,000**		**258,000**
Non-taxable income		**-**		**(12,000)**		**(12,000)**
Other		**-**		**(10,391)**		**(10,391)**
Impact of change in effective tax rate		**14,000**		**-**		**14,000**
Change in unrecognized temporary differences		**54,000**		**17,000**		**71,000**
Income tax expense (recovery)	**$**	**-**	**$**	**(8,391)**	**$**	**(8,391)**

						2012
		Canadian		Foreign		Combined
(Loss) before income taxes	$	(484,426)	$	(7,728)	$	(492,154)
Income tax rates		26.13%		16.50%		26.0%
Computed income tax (recovery) expense		(126,500)		(1,250)		(127,750)
Increase (decrease) resulting from:						
Non-deductible expenses		79,500		(1,000)		10,500
Non-taxable income		-		17,000		17,000
Impact of change in effective tax rate		500		(1,200)		(700)
Change in unrecognized temporary differences		46,500		(12,000)		102,500
Income tax expense	$	-	$	1,550	$	1,550

11. Income taxes (continued)

b) Deferred income tax assets and liabilities

The Corporation has operating losses and other costs which are being carried forward and which may be utilized to reduce future taxable income. The components of the net deferred income tax assets (liabilities) were as follows:

2013		Canadian		Foreign		Combined
Long-term deferred tax assets:						
Non-capital loss carried forward	$	**346,000**	$	**-**	$	**346,000**
Issue costs		**43,000**		**-**		**43,000**
Unrealized foreign exchange gain		**(9,000)**		**-**		**(9,000)**
Less: Unrecognized temporary differences		**(380,000)**		**-**		**(380,000)**
	$	**-**	$	**-**	$	**-**
Long-term deferred tax liability:						
Property and equipment	$	**-**	$	**127,471**	$	**127,471**

2012		Canadian		Foreign		Combined
Long-term deferred tax assets:						
Non-capital loss carried forward	$	247,000	$	-	$	247,000
Issue costs		89,000		-		89,000
Unrealized foreign exchange gain		(10,000)		-		(10,000)
Less: Unrecognized temporary differences		(326,000)		-		(326,000)
	$	-	$	-	$	-
Long-term deferred tax liability:						
Property and equipment	$	-	$	7,835	$	7,835

As at March 31, 2013, the Corporation had income tax losses of $1,384,000, which arose from the Canadian operation and which will expire as follows; $271,000 in 2030, $329,000 in 2031, $339,000 in 2032 and $445,000 in 2033. The income tax benefits of these losses have not been recognized on the consolidated financial statements.

12. Commitments

a) The Corporation entered into a lease agreement for rental of premises commencing May 1, 2012 for a period of one year with monthly rental payments of Renminbi (“RMB”) $4,600 CDN $750 and a deposit paid in advance of RMB $8,800 CDN $1,400.

b) The Corporation, upon the completion of the business acquisition, has three new lease agreements and a photocopier agreement outstanding for various terms up to July 15, 2015. Payments are to be incurred in SD, RMB and Indonesian Rupiah (“IDR”), the CDN equivalent as of March 31, 2013 is a total of CDN $138,099, of which CDN $78,251 is to be incurred within one year of the statement of financial position date, CDN $50,670 within one to two years and CDN $9,178 within two to three years.

13. Related party transactions

The Corporation had the following related party transactions for the years ended March 31, 2013 and 2012:

		2013		2012
Consulting fees paid to a company controlled by a director or a shareholder	$	121,532	$	84,671
Consulting fees paid to directors		23,032		43,747
Management salaries paid to directors of a subsidiary		118,196		-
Management salaries paid to an officer		63,805		58,670
Rent charged by a family member of a director		27,612		30,610

Included in accounts payable and accrued liabilities is an amount of $15,622 (2012 - $4,959) owed to related parties. Included in accounts receivable is $83,832 (2012 - $nil) due from a related party for costs paid on behalf of the party in relation to the recently completed business acquisition.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. Financial risk management

The Corporation is exposed to financial risks due to the nature of its business and the financial assets and liabilities it holds. The following discussion reviews material financial risks, quantifies the associated exposures, and explains how these risks, and the Corporation's capital, are managed.

a) Market risk

Cash flow and fair value interest rate risk.

As the Corporation has no significant interest-bearing assets, its earnings and operating cash flows are substantially independent of change in market interest rates.

The Corporation's interest rate risk would arise from borrowings, issued at variable rates and expose the Corporation to cash flow interest rate risk. Borrowings issued at a fixed rate expose the Corporation to fair value interest rate risk. The Corporation is not exposed to such risk.

b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Corporation reduces this risk by dealing with creditworthy financial institutions.

Credit risk also results from the possibility that a loss may occur from the failure of another party to adhere to payment terms. To lower this risk, the Corporation's extension of credit is based on an evaluation of each customer's financial condition. Management reviews the ageing of trade accounts receivable and other factors relating to the risk that customer accounts may not be paid in full and, when appropriate, reduces the carrying value to provide for possible loss. No loss has been charged to income in the current year.

14. Financial risk management (continued)

The following table summarizes the accounts receivable overdue:

	Total	Due in 30 days	30 days to 90 days overdue	Over 90 days overdue
March 31, 2013	$ 1,070,793	$ 834,053	$ 116,960	$ 119,780
March 31, 2012	146,238	146,238	-	-

Of significant individual accounts receivable as at March 31, 2013 approximately 89% was owed from four customers (2012 – 74% was owed from four customers).

The carrying amount of cash and accounts receivable represents the Corporation's maximum credit exposure.

c) Liquidity risk

The Corporation manages its risk of not meeting its financial obligations through management of its capital structure, and annual budgeting of its revenues, expenditures and cash flows.

Accounts payable and accrued liabilities arise in the normal course of business, and all amounts are due within three months or less of the statement of financial position date except for $78,240 as of March 31, 2013 (2012 - $9,932) which are due between three and twelve months of the statement of financial position date. Income taxes payable are due within twelve months of the statement of financial position date.

The Corporation believes it has adequate working capital and cash flows to discharge its financial obligations.

d) Fair values

At March 31, 2013 and 2012, the fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values given the expected short-term to maturity of these instruments.

The Corporation has classified the financial instruments measured at fair value in accordance with a three level hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair values of the financial assets and liabilities. The fair value hierarchy has the following levels:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. At March 31, 2013 and 2012, the Corporation's cash has been assessed at level 1 based on the fair value hierarchy above.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

14. Financial risk management (continued)

			2013			2012
	Carrying value		**Fair value**	Carrying value		Fair value
	FVTPL	**L&R**	**Total**	FVTPL	L&R	Total
Financial assets						
Cash	**$ 965,917**	**$ -**	**$ 965,917**	$ 548,752	$ -	$ 548,752
Accounts receivable	**-**	**1,070,793**	**1,070,793**	-	146,238	146,238
	$ 965,917	**$1,070,793**	**$2,036,710**	$ 548,752	$ 146,238	$ 694,990

			2013			2012
	Carrying value		**Fair value**	Carrying value		Fair value
	FVTPL	**Other liability**	**Total**	FVTPL	Other liability	Total
Financial liabilities						
Accounts payable	**$ -**	**$ 556,455**	**$ 556,455**	$ -	$ 149,742	$ 149,742
Cash due on closing	**-**	**400,000**	**400,000**	-	-	-
Promissory note	**-**	**377,519**	**377,519**	-	-	-
Convertible debenture	**-**	**5,595,139**	**5,595,139**	-	-	-
	$ -	**$6,929,113**	**$6,929,113**	$ -	$ 149,742	$ 149,742

e) Capital management

Capital is comprised of shareholders equity (deficit) on the statement of financial position. The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders. The Corporation's sources of additional capital and policies for distribution of excess capital may also be affected by the Corporation's capital management objectives.

The Corporation manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analyses. The capital is generally used for defraying the administrative expenses in promoting the objectives of the Corporation. The Corporation is not subject to either internally or externally imposed capital requirements.

f) Currency risk

Foreign currency risk is defined as the Corporation's exposure to a gain or a loss in the value of its financial instruments as a result of fluctuations in foreign exchange rates. The Corporation is exposed to foreign currency rate variability primarily in relation to certain assets and liabilities denominated in foreign currencies.

As well, most of its foreign operations are self-sustaining and these foreign operations' functional currencies are in HKD and SD. The Corporation's related exposure to the foreign currency rates is primarily through cash and other working capital elements of these foreign operations.

The Corporation also mitigates foreign currency risks, within each segment, by transacting in their functional currency for material procurement, sales contracts and financing activities.

14. Financial risk management (continued)

The following presents the financial instruments that are exposed to foreign exchange volatility:

				2013
	Canadian Dollars	**Singapore Dollars**	**Hong Kong Dollars**	**Cdn Equivalent**
Cash	**$ 400,168**	**$ 622,903**	**$ 457,641**	**$ 965,917**
Accounts receivable and other	**5,432**	**1,219,219**	**658,907**	**1,070,793**
Accounts payable and accrued liabilities	**(122,915)**	**(440,581)**	**(609,248)**	**556,455**

			2012
	Canadian Dollars	Hong Kong Dollars	Cdn Equivalent
Cash	$ 45,452	$ 3,911,245	$ 548,752
Accounts receivable and other	-	1,136,447	146,238
Accounts payable and accrued liabilities	(99,764)	(372,847)	(149,742)

15. Segmented information

The Corporation's reportable segments are (1) a business holding an investment in Canada; (2) provision of inter-operator short message services in Hong Kong; (3) mobile data solutions.

The revenues are primarily generated in Hong Kong, United States, and Singapore dollars. Six major customers have contributed to sales revenue for the years ended March 31, 2013 and 2012 as indicated in the following table:

	2013	2012
Customer E	**$ 476,869**	$ -
Next five top customers		
Customer A	**128,388**	173,550
Customer B	**111,250**	132,495
Customer C	**74,272**	107,061
Customer D	**73,911**	102,644
Customer F	**87,052**	-
All other customers	**351,173**	171,184
Revenues	**$ 1,302,915**	$ 686,934

15. Segmented information (continued)

Year ended March 31, 2013	**Investment**	**SMS**	**Mobile**	**Total**
Revenues	**$ -**	**$ 549,328**	**$ 753,587**	**$1,302,915**
Amortization of property and equipment	**-**	**113,982**	**9,022**	**123,004**
Share based compensation	**-**	**-**	**-**	**-**
Provision for income Taxes	**-**	**(8,518)**	**127**	**(8,391)**
Net (loss)	**$(1,211,290)**	**$ (110,476)**	**$ (32,896)**	**$(1,354,662)**
Segment assets, total	**$ 422,582**	**$ 187,096**	**$ 6,256,349**	**$6,866,027**
Total expenditures for property and equipment	**$ -**	**$ 3,622**	**$ 17,338**	**$ 20,960**

Year ended March 31, 2012	Investment	SMS	Total
Revenues	$ -	$ 686,934	$ 686,934
Amortization of property and equipment	-	(103,077)	(103,077)
Share based compensation	(43,729)	-	(43,729)
Provision for income taxes	-	(1,550)	(1,550)
Net (loss)	$ (484,426)	$ (9,278)	$ (493,704)
Segment assets, total	$ 68,811	$ 815,141	$ 883,952
Total expenditures for property and equipment	$ -	$ 1,385	$ 1,385

16. Subsequent event

On April 5, 2013, the Corporation closed a private placement by issuing 8,000,000 common shares at a price of $0.05 per share for total gross proceeds of $400,000 which were received in full as of March 31, 2013.