GINSMS INC.

Condensed Interim Consolidated Financial Statements

(Unaudited)

Three month periods ended June 30, 2013 and 2012

Unaudited Condensed Interim Consolidated Financial Statements

Responsibility for condensed interim consolidated financial statements

GINSMS Inc., condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards consistently applied. These interim statements are presented on the accrual basis of accounting. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Corporation is responsible for both the integrity and objectivity of the interim consolidated financial statements, management is satisfied that these condensed interim consolidated financial statements have been fairly presented.

Auditor involvement

The auditor of GINSMS Inc. has not performed a review of the unaudited condensed interim consolidated financial statements for the three month periods ended June 30, 2013 and 2012.

GINSMS INC.

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

As at,	June 30, 2013	March 31, 2013
Assets		
Current		
Cash	**$ 670,500**	$ 965,917
Accounts receivable and other	**787,864**	1,070,793
Prepaid expenses	**75,653**	95,259
	1,534,017	2,131,969
Non-current		
Property and equipment (note 5)	**31,539**	32,886
Development expenditures (note 6)	**703,821**	639,341
Goodwill (note 4)	**2,830,364**	2,830,364
Intangible assets – contracts	**294,717**	344,717
Intangible assets – software	**666,750**	706,750
	$ 6,061,208	$ 6,686,027
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 463,791**	$ 556,455
Cash due on closing (note 4)	**-**	400,000
Promissory note payable (note 7)	**383,017**	377,519
	846,808	1,333,974
Non-current		
Deferred income tax liability	**127,511**	127,471
Convertible debentures (note 8)	**5,771,309**	5,595,139
	6,745,628	7,056,584
Shareholders' Equity (Deficit)		
Share capital (note 9)	**1,339,386**	939,386
Subscriptions received	**-**	400,000
Reserves (note 10)	**429,431**	429,431
Equity component of convertible debentures (note 8)	**35,776**	35,776
Accumulated other comprehensive income (loss)	**136,437**	(31,691)
Deficit	**(2,625,450)**	(2,143,459)
	(684,420)	(370,557)
	$ 6,061,208	$ 6,686,027

Commitments (note 11)
Subsequent event (note 15)

On behalf of the Board:

(Signed) "Joel Siang Hui Chin", Director

(Signed) "Man Kon Lai", Director

GINSMS INC.

Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)

For the three months ended June 30,		2013		2012
Revenue	$	**445,584**	$	157,089
Cost of sales		**(144,279)**		(70,024)
		301,305		86,365
Expenses				
Salaries and wages (note 12)		**187,450**		39,323
Professional fees (note 12)		**52,614**		25,758
Consultancy fees (note 12)		**31,395**		27,412
General and administrative		**129,460**		16,416
Amortization		**107,425**		26,381
Foreign exchange (gain)		**(19,762)**		-
Finance expense (note 7 and 8)		**290,549**		-
		779,131		135,290
Loss before income taxes		**(477,826)**		(48,925)
Income tax expense (recovery)				
Current		**4,165**		3,205
Deferred		**-**		(4,095)
		4,165		(890)
Net loss for the period		**(481,991)**		(48,035)
Other comprehensive income, net of tax				
Fair value adjustment on convertible debentures (note 4)		**108,881**		-
Foreign currency translation adjustment		**59,247**		23,145
		168,128		23,145
Comprehensive loss	$	**(313,863)**	$	(24,890)
Net loss per share				
Basic	$	**(0.01)**	$	(0.00)
Diluted		**(0.01)**		(0.00)
Weighted average number of shares outstanding				
Basic and diluted		**51,097,939**		43,337,499

GINSMS INC.

Condensed Interim Consolidated Statements of Equity (Deficit) (Unaudited)

For the three months ended	Share Capital	Subscriptions received	Reserves	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at March 31, 2013	**$ 939,386**	**$** 400,000	$ 429,431	$ 35,776	$ (31,691)	$(2,143,459)	$ (370,557)
Net loss for the period	**-**	**-**	-	-	-	(481,991)	(481,991)
Issuance of shares in private placement	400,000	(400,000)	-	-	-	-	-
Other comprehensive income	**-**	**-**	-	-	168,128	-	168,128
Balance at June 30, 2013	**$ 1,339,386**	**$** -	$ 429,431	$ 35,776	$ 136,437	$(2,625,450)	$ (684,420)

For the three months ended	Share Capital	Subscriptions received	Reserves	Equity component of convertible debentures	Accumulated 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 period	-	-	-	-	-	(48,035)	(48,035)
Other comprehensive income	-	-	-	-	23,145	-	23,145
Balance at June 30, 2012	$ 929,386	$ -	$ 429,431	$ -	$ (500)	$ (656,832)	$ 701,485

GINSMS INC.

Consolidated Statements of Cash Flows (Unaudited)

For the three months ended June 30,	2013	2012
Operating activities		
Net loss for the period	$ (481,991)	$ (48,035)
Items not affecting cash		
Deferred income tax (recovery)	-	(4,095)
Foreign exchange (gain)	(19,762)	-
Accretion on		
Promissory note payable	5,498	-
Convertible debentures	285,051	-
Amortization on		
Property and equipment	5,455	26,381
Intangible assets	90,000	-
Development expenditures	11,970	-
	(103,779)	(25,749)
Changes in non-cash working capital		
Accounts receivable and other	312,664	14,695
Prepaid expenses and deposit	22,406	8,522
Accounts payable and accrued liabilities	(106,087)	(106,866)
Net cash (used in) from operating activities	125,204	(109,398)
Financing activity		
Cash due on closing	(400,000)	-
Net cash from (used in) financing activity	(400,000)	-
Investing activities		
Development costs	(55,352)	-
Property and equipment	(3,145)	-
Net cash from (used in) investing activities	(58,497)	-
Effect of exchange rate changes on cash	37,876	15,656
Increase (decrease) in cash	(295,417)	(93,742)
Cash, beginning of period	965,917	548,752
Cash, end of period	$ 670,500	$ 455,010
Supplemental cash flow information		
Cash interest received	$ -	$ -
Cash taxes paid	-	-

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 Malaysia 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 three months ended June 30, 2013 and 2012 comprise the Corporation and its subsidiaries.

2. Basis of presentation

These unaudited interim condensed financial statements of the Corporation as at and for the three months ended June 30, 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Specifically they have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2013 which have been prepared in accordance with IFRS.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of August 29, 2013, the date the Board of Directors approved the statements.

Amounts are reported in Canadian dollars unless otherwise indicated.

3. Summary of significant accounting policies

The significant accounting policies used in the preparation of these unaudited interim condensed consolidated financial statements are described in Note 3 of the audited consolidated financial statements for the year ended March 31, 2013. There have been no changes to our accounting policies since March 31, 2013, except for the following:

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions with no impact on the financial statements on adopting the following standards.

- IFRS 10 Consolidated Financial Statements replaces IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. IFRS 10 revises the definition of control and focuses on the need to have power and variable returns for control to be present.

- IFRS 11 Joint Arrangements requires a company 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 for a joint operation the company 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.

- IFRS 12 Disclosure of Interest in Other Entities replaces the disclosure requirements previously included in IAS 27, IAS 31, and IAS 28 Investments in Associates. It sets out the extensive disclosure requirements relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- IFRS 13 Fair Value Measurement is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

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 26.01%, 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.

On August 8, 2013, the Corporation announced that the profit for the fifteen-month period then ended was $380,792 leading to a release of $609,267 in convertible debentures from escrow. This adjustment to the contingent consideration, as a result of an event that occurred subsequent to the acquisition date, resulted in a fair value decrease to the debentures of $108,881 (note 8). This has been recorded in other comprehensive income for the three month period ended June 30, 2013 with no adjustment to the purchase price equation on acquisition.

5. Property and equipment

June 30, 2013 Cost	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ -	$ 581,040	$ -	$ 581,040
Exchange differences	-	20,983	-	20,983
Additions	-	3,145	-	3,145
Balance at June 30, 2013	$ -	$ 605,168	$ -	$ 605,168

June 30, 2013 Accumulated depreciation	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ -	$ 548,154	$ -	$ 548,154
Exchange differences	-	20,020	-	20,020
Amortization for the year	-	5,455	-	5,455
Balance June 30, 2013	-	573,629	-	573,629
Net book value at June 30, 2013	$ -	$ 31,539	$ -	$ 31,539

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

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
Additions	55,352	-	55,352
Amortization	-	(11,970)	(11,970)
Translation difference	21,974	(876)	21,098
Balance at June 30, 2013	$ 739,639	$ (35,818)	$ 703,821

7. Promissory note payable

	June 30, 2013	March 31, 2013
Balance, beginning of year	$ 377,519	$ 366,523
Accretion for the period	5,498	10,996
Balance end of period	$ 383,017	$ 377,519

The Corporation as part of the transaction issued on September 28, 2012 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 debentures

		June 30, 2013		March 31, 2013
Balance, beginning of year	**$**	**5,595,139**	**$**	**4,951,231**
Fair value adjustment (note 4)		**(108,881)**		**-**
Accretion for the period		**285,051**		**643,908**
Balance, end of period	**$**	**5,771,309**	**$**	**5,595,139**

The face value of the convertible debentures issued as part of the transaction on September 28, 2012 is $9,109,267. 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 20.84% (March 31, 2013 - 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:

	June 30, 2013			March 31, 2013		
	Shares		**Amount**	Shares		Amount
Balance, beginning of year	**43,537,499**	**$**	**939,386**	43,337,499	$	929,386
Issued on private placement	**8,000,000**		**400,000**	-		-
Issued for costs related to the business acquisition (note 4)	**-**		**-**	200,000		10,000
Balance, end of period	**51,537,499**	**$**	**1,339,386**	43,537,499	$	939,386

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.

For the three months ended June 30, 2013 and 2012, all outstanding 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.

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.

	Exercise Price	Number of options	Fair value recorded
Balance, March 31, 2012 and 2013	**$ 0.10**	**1,375,000**	**$ 429,431**
Cancellation of options	**$ 0.10**	**(500,000)**	**-**
Balance, June 30, 2013		**875,000**	**$ 429,431**

During the three months ended June 30, 2013, 500,000 stock options of a director and officer were cancelled in exchange for the payment of $5,000 which has been expensed and included with professional fees for the period then ended.

As of June 30, 2013, the weighted average remaining contractual life for the 875,000 options outstanding to directors and officers is 8.1 years with all options being fully exercisable.

11. Commitments

a) 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 June 30, 2013 is a total of CDN $116,665, of which CDN $67,969 is to be incurred within one year of the statement of financial position date, and CDN $48,696 within one to two years..

12. Related party transactions

The Corporation had the following related party transactions for the three months ended June 30, 2013 and 2012:

		June 30, 2013		June 30, 2012
Consulting fees paid to a company controlled by a director or a shareholder	**$**	**33,000**	$	20,719
Consulting fees paid to directors		**2,768**		6,936
Management salaries paid to an officer		**45,291**		15,853
Rent charged by a family member of a director		**2,768**		7,652

Included in accounts payable and accrued liabilities is an amount of $16,958 (March 31, 2013 - $15,622) owed to related parties. Included in accounts receivable is $83,572 (March 31, 2013 - $83,832) 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.

13. 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.

The following table summarizes the accounts receivable overdue:

13. Financial risk management (continued)

	Total	Due in 30 days	30 days to 90 days overdue	Over 90 days overdue
June 30, 2013	$ 787,864	$ 735,127	$ 16,221	$ 36,516
March 31, 2013	1,070,793	834,053	116,960	119,780

Of significant individual accounts receivable as at June 30, 2013 approximately 88% was owed from four customers (March 31, 2013 – 89% 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 $76,872 as of June 30, 2013 (March 31, 2013 - $78,240) 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 June 30, 2013 and March 31, 2013 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 June 30, 2013 and March 31, 2013, 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.

13. Financial risk management (continued)

	June 30, 2013			March 31, 2013		
	Carrying value		Fair value	Carrying value		Fair value
	FVTPL	L&R	Total	FVTPL	L&R	Total
Financial assets						
Cash	$ 670,500	$ -	$ 670,500	$ 965,917	$ -	$ 965,917
Accounts receivable	-	787,864	787,864	-	1,070,793	1,070,793
	$ 670,500	$ 787,864	$1,458,364	$ 965,917	$1,070,793	$2,036,710

	June 30, 2013			March 31, 2013		
	Carrying value		Fair value	Carrying value		Fair value
	FVTPL	Other liability	Total	FVTPL	Other liability	Total
Financial liabilities						
Accounts payable	$ -	$ 463,791	$ 463,791	$ -	$ 556,455	$ 556,455
Cash due on closing	-	-	-	-	400,000	400,000
Promissory note	-	383,017	383,017	-	377,519	377,519
Convertible debenture	-	5,771,309	5,771,309	-	5,595,139	5,595,139
	$ -	$6,618,117	$6,618,117	$ -	$6,929,113	$6,929,113

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.

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

13. Financial risk management (continued)

				June 30, 2013
	Canadian Dollars	**Singapore Dollars**	**Hong Kong Dollars**	**Cdn Equivalent**
Cash	**$ 6,111**	**$ 785,999**	**$ 94,971**	**$ 670,500**
Accounts receivable and other	**2,739**	**754,466**	**272,581**	**787,864**
Accounts payable and accrued liabilities	**(96,441)**	**(341,303)**	**(679,745)**	**(463,791)**

				March 31, 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)

14. 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 three months ended June 30, 2013 and 2012 as indicated in the following table:

	2013	2012
Customer E	**$ 261,509**	$ -
Next five top customers		
Customer A	**8,864**	42,355
Customer B	**-**	30,768
Customer C	**1,718**	19,978
Customer D	**3,815**	19,899
Customer F	**42,855**	-
All other customers	**126,823**	44,089
Revenues	**$ 445,584**	$ 157,089

14. Segmented information (continued)

Three months ended June 30, 2013	**Investment**	**SMS**	**Mobile**	**Total**
Revenues	**$ -**	**$ 36,738**	**$ 408,846**	**$ 445,584**
Amortization	**-**	**(1,142)**	**(106,283)**	**(107,425)**
Provision for income taxes	**-**	**-**	**(4,165)**	**(4,165)**
Net (loss)	**$ (65,581)**	**$ (76,230)**	**$ (340,180)**	**$ (481,991)**
Segment assets, total	**$ 22,365**	**$ 87,569**	**$ 5,951,274**	**$6,061,208**
Total expenditures for property and equipment	**$ -**	**$ -**	**$ 3,145**	**$ 3,145**

Three months ended June 30, 2012	Investment	SMS	Total
Revenues	$ -	$ 157,089	$ 157,089
Amortization of property and equipment	-	(26,381)	(26,381)
Provision for income taxes	-	890	890
Net (loss)	$ (39,264)	$ (8,771)	$ (48,035)
Segment assets, total	$ 67,910	$ 681,090	$ 749,000
Total expenditures for property and equipment	$ -	$ -	$ -

15. Subsequent event

On August 8, 2013, the corporation announced that pursuant to the purchase price adjustment mechanism contained in the Share Purchase Agreement entered into between the Corporation and Inphosoft Pte Ltd. (“IPTL”), a downward adjustment of $1,390,733 has been made to the purchase price paid by the Corporation for its acquisition of Inphosoft Group Pte Ltd. from ITPL. This took into account the profit achieved by Inphosoft Group Pte Ltd. Of $380,792 for the 15-month period ended March 31, 2013.

As a result of the above adjustment, the purchase price for the acquisition of Inphosoft Group Pte. Ltd from IPL is $9,109,267 from the previous $10,500,000.