GINSMS INC.

Condensed Interim Consolidated Financial Statements

(Unaudited)

Three and nine month periods ended December 31, 2012 and 2011

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 and nine month periods ended December 31, 2012 and 2011.

GINSMS INC.

Condensed Interim Consolidated Statements of Financial Position

As at,		December 31, 2012		March 31, 2012
Assets				
Current				
Cash	$	682,365	$	548,752
Accounts receivable and other		1,159,239		146,238
Prepaid expenses		90,703		69,659
		1,932,307		764,649
Non-current				
Property and equipment (note 5)		64,899		119,303
Development expenditures (note 6)		602,328		-
Goodwill (note 4)		2,751,772		-
Intangible assets – contracts (note 4)		590,279		-
Intangible assets – software (note 4)		1,092,721		-
	$	7,034,306	$	883,952
Liabilities				
Current				
Accounts payable and accrued liabilities	$	484,153	$	149,742
Cash due on closing (note 4)		400,000		-
Promissory note payable (note 7)		383,018		-
		1,267,171		149,742
Non-current				
Deferred income tax liability		177,104		7,835
Convertible debentures (note 8)		5,589,234		-
		7,033,509		157,577
Shareholders' Equity				
Share capital (note 9)		939,386		929,386
Reserves (note 10)		429,431		429,431
Equity component of convertible debentures (note 8)		53,899		-
Accumulated comprehensive income (loss)		3,688		(23,645)
Deficit		(1,425,607)		(608,797)
		797		726,375
	$	7,034,306	$	883,952

Commitments (note 11)

On behalf of the Board:

(Signed) Chin Siang Hui, Director

(Signed) Raymond Richard, Director

GINSMS INC.

Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)

	Three month periods ended December 31,		Nine month periods ended December 31,	
	2012	2011	**2012**	2011
Revenue	**$ 477,240**	$ 164,028	**$ 784,237**	$ 528,282
Cost of sales	**(108,731)**	(67,926)	**(246,671)**	(197,076)
	368,509	96,102	**537,566**	331,206
Expenses				
Salaries and wages (note 12)	**184,443**	29,615	**262,769**	85,944
Professional fees (note 12)	**109,842**	81,225	**512,306**	147,408
Consultancy fees (note 12)	**27,430**	24,801	**82,050**	70,189
General and administrative	**51,186**	15,921	**106,486**	47,026
Share-based compensation	**-**	8,300	**-**	14,300
Amortization	**40,887**	26,538	**93,301**	76,929
Foreign exchange (gain)	**(48,313)**	-	**(48,313)**	-
Finance expense (note 7 and 8)	**346,910**	-	**346,910**	-
	712,385	186,400	**1,355,509**	441,796
(Loss) income before income taxes	**(343,876)**	(90,298)	**(817,943)**	(110,590)
Income tax expense (recovery)				
Current	**(263)**	6,278	**2,921**	27,893
Deferred	**14**	3,447	**(4,054)**	(12,018)
	(249)	9,725	**(1,133)**	15,875
Net (loss) income for the period	**(343,627)**	(100,023)	**(816,810)**	(126,465)
Other comprehensive income, net of tax				
Foreign currency translation adjustment	**30,888**	(12,158)	**27,333**	56,357
Comprehensive (loss) income	**$ (312,764)**	$ (112,181)	**$ (789,477)**	$ (70,108)
Net (loss) income per share				
Basic	**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.00)
Diluted	**(0.01)**	(0.00)	**(0.02)**	(0.00)
Weighted average number of shares outstanding				
Basic and diluted	**43,537,499**	43,337,499	**43,404,165**	43,337,499

GINSMS INC.

Condensed Interim Consolidated Statements of Equity (Unaudited)

For the nine months ended	**Share capital**	**Warrants**	**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	**-**	**-**	-	-	-	(816,810)	(816,810)
Shares issued as compensation	**10,000**	**-**	-	-	-	-	10,000
Equity portion of convertible debentures	**-**	**-**	-	53,899	-	-	53,899
Total comprehensive income	**-**	**-**	-	-	27,333	-	27,333
Balance at December 31, 2012	**$ 939,386**	**$ -**	$ 429,431	$ 53,899	$ 3,688	$(1,425,607)	$ 797
Balance at March 31, 2011	$ 929,386	$ 385,702	$ -	$ -	$ (51,546)	$ (115,093)	$ 1,148,449
Net loss for the period	-	-	-	-	-	(126,465)	(126,465)
Share-based compensation	-	-	14,300	-	-	-	14,300
Transfer on expiry of warrants	-	(385,702)	385,702	-	-	-	-
Total comprehensive income	-	-	-	-	56,357	-	56,357
Balance at December 31, 2011	$ 929,386	$ -	$ 400,002	$ -	$ 4,811	$ (241,558)	$ 1,092,641

GINSMS INC.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

	Three months ended December 31, 2012	Three months ended December 31, 2011	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Operating activities				
Net (loss) income for the period	**$ (343,627)**	$ (100,023)	**$ (816,810)**	$ (126,465)
Items not affecting cash				
Deferred income tax (recovery)	**14**	3,447	**(4,054)**	(12,018)
Share-based compensation	**-**	8,300	**-**	14,300
Shares issued as compensation	**-**	-	**10,000**	-
Foreign exchange (gain)	**(48,313)**	-	**(48,313)**	-
Accretion on				
Promissory note payable	**5,660**	-	**5,660**	-
Convertible debentures	**341,250**	-	**341,250**	-
Amortization on				
Property and equipment	**28,857**	26,538	**81,271**	76,929
Development expenditures	**12,030**	-	**12,030**	-
	(4,129)	(61,738)	**(418,966)**	(47,254)
Changes in non-cash working capital				
Accounts receivable and other	**(37,878)**	15,858	**(35,143)**	(10,543)
Prepaid expenses and deposit	**3,241**	36	**16,630**	(3,606)
Accounts payable and accrued liabilities	**43,845**	(13,156)	**95,804**	(14,225)
Deposit	**-**	-	**-**	435,415
Income taxes payable	**-**	(31,205)	**-**	(17,846)
Net cash from (used in) operating activities	**5,079**	(90,205)	**(341,675)**	341,941
Investing activities				
Cash acquired on acquisition	**-**	-	**513,211**	-
Development costs	**(99,681)**	-	**(99,681)**	-
Property and equipment	**(9,437)**	(1,385)	**(3,622)**	(1,385)
Net cash from (used in) investing activities	**(109,118)**	(1,385)	**400,471**	(1,385)
Effect of exchange rate changes on cash	**71,805**	(9,720)	**74,817**	41,276
Increase (decrease) in cash	**(32,234)**	(101,310)	**133,613**	381,832
Cash, beginning of period	**714,599**	906,013	**548,752**	422,871
Cash, end of period	**$ 682,365**	$ 804,703	**$ 682,365**	$ 804,703
Supplemental cash flow information				
Cash interest received	**$ -**	$ -	**$ -**	$ -
Cash taxes paid	**-**	39,311	**-**	47,706
Non-cash transaction				
Shares issued as compensation	**$ -**	$ -	**$ 10,000**	$ -

During the periods, there were no financing activities.

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.

On September 28, 2012 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 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 activity of the Corporation is the provision of inter-operator short message services (SMS) in Hong Kong. The consolidated financial statements of the Corporation as at and for the three and nine month periods ended December 31, 2012 and 2011 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 and nine months ended December 31, 2012 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, 2012 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 February 25, 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, 2012. There have been no changes to our accounting policies since March 31, 2012 except as outlined below:

Compound financial instruments

The component parts of compound instruments issued by the Company 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 lives of the convertible debentures using the effective interest method.

4. Business acquisition transaction

Share purchase agreement

The Corporation on September 28, 2012 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., 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 period end.
- $10,500,000 in convertible debentures, $6,500,000 of which to be issued to Inphosoft, and $4,000,000 to be issued to Inphosoft and delivered to the agent, both of which are due three years after closing
- $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 $377,358 based on a discount rate of 6%.

Each non-interest bearing debenture shall be issued for a term of three years and may not be converted at any time if as a result the debenture holder will hold 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 ten (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 will be deposited at closing in escrow and will be released upon the achievement of certain established profit levels over the next two years.

4. Business acquisition transaction (continued)

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 three and nine months ended December 31, 2012 including the issuance of 200,000 common shares at a fair value of $10,000.

The proceeds described above have a total present value of $6,079,241 has 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 as 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:

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		**590,279**
Intangible assets – software		**1,092,721**
Goodwill		**2,751,772**
Accounts payable and accrued liabilities		**(238,745)**
Deferred tax liabilities		**(173,706)**
	$	**6,079,241**
Consideration given up		
Cash due on purchase	**$**	**400,000**
Convertible debentures		
Issued to vendor		**3,732,945**
Issued to escrow agent		**1,515,039**
Equity portion of debentures		**53,899**
Promissory note		**377,358**
	$	**6,079,241**

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

December 31, 2012 **Cost**	**Leasehold improvements**	**Computer equipment and software**	**Furniture and fixtures**	**Total**
Balance, beginning of period	**$ 81,543**	**$ 533,650**	**$ 2,238**	**$ 617,431**
Exchange differences	**(73)**	**(480)**	**(2)**	**(555)**
Additions	**-**	**30,565**	**-**	**30,565**
Balance, end of period	**$ 81,470**	**$ 563,735**	**$ 2,236**	**$ 647,441**

December 31, 2012 **Accumulated depreciation**	**Leasehold improvements**	**Computer equipment and software**	**Furniture and fixtures**	**Total**
Balance, beginning of period	**$ 47,040**	**$ 448,850**	**$ 2,238**	**$ 498,128**
Exchange differences	**(42)**	**3,187**	**(2)**	**3,143**
Amortization for the period	**9,900**	**71,371**	**-**	**81,271**
Balance, end of period	**56,898**	**523,408**	**2,236**	**582,542**
Net book value, end of period	**$ 24,572**	**$ 40,327**	**$ -**	**$ 64,899**

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, end of year	$ 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, end of year	47,040	448,850	2,238	498,128
Net book value, end of year	$ 34,503	$ 84,800	$ -	$ 119,303

6. Development expenditures

	Cost	Accumulated Depreciation	Total
Balance, September 30, 2012	$ 510,451	$ -	$ 510,451
Additions	99,681	-	99,681
Amortization	-	(12,030)	(12,030)
Translation difference	5,300	(1,074)	4,226
Balance, end of period	**$ 615,432**	**$ (13,104)**	**$ 602,328**

7. Promissory note payable

	December 31, 2012
Balance, September 30, 2012	**$ 377,358**
Accretion for the period	5,660
Balance, end of period	**$ 383,018**

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 $377,358 with accretion recorded at an annual interest rate of 6%.

8. Convertible debenture

	December 31, 2012
Balance, September 30, 2012	**$ 5,247,984**
Accretion for the period	341,250
Balance, end of period	**$ 5,589,234**

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 $53,899.

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:

	December 31, 2012		March 31, 2012	
	Shares	**Amount**	Shares	Amount
Balance, beginning of year	**43,337,499**	**$ 929,386**	43,337,499	$ 929,386
Issued as compensation for transaction (note 4)	**200,000**	**10,000**	-	-
Balance, end of period	**43,537,499**	**$ 939,386**	43,337,499	$ 929,386

Share purchase warrants

A summary of warrants as at December 31, 2012 and March 31, 2012, and the changes during the periods then ended is as follows:

	December 31, 2012	March 31, 2012
Balance, beginning of the period	**$ -**	$ 385,702
Transfer to reserves on expiry of warrants	**-**	(385,702)
Balance, end of period	**$ -**	$ -

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 year ended March 31, 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 December 31, 2012			**1,375,000**	**$**	**429,431**

As of December 31, 2012, the weighted average remaining contractual life for the 1,375,000 options outstanding to directors and officers is 8.6 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. 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 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 acquisition has three new lease agreement and a photocopier agreement outstanding for various terms up to July 15, 2015. Payments are to be incurred in S, RMB and IDR, the CDN equivalent as of December 31, 2012 is a total of CDN $125,465, of which CDN $107,823 is to be incurred within one year of the statement of financial position date, CDN $11,866 within two years and CDN $5,776 within three years.

12. Related party transactions

The Corporation had the following related party transactions that have been recorded at their exchange amounts for the three and nine months ended December 31, 2012 and 2011:

	Three month period ended December 31		Nine month period ended December 31	
	2012	2011	**2012**	2011
Consulting fees paid to a company controlled by a director or a shareholder	**$ 13,941**	$ 22,165	**$ 109,495**	$ 61,154
Consulting fees paid to directors	**6,712**	4,135	**20,278**	12,005
Management salaries paid to directors of a subsidiary	**77,457**	-	**77,457**	-
Management salaries paid to an officer	**15,342**	3,939	**46,349**	11,434
Rent charged by a family member of a director	**7,670**	7,622	**23,174**	22,867

Included in accounts payable and accrued liabilities is an amount of $5,836 (March 31, 2012 - $4,959) owed to a company controlled by a director. Included in accounts receivable is $85,022 (March 31, 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.

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:

	Total	Due in 30 days	30 days to 90 days overdue	Over 90 days overdue
December 31, 2012	$ 1,159,239	$ 779,544	$ 284,653	$ 95,042
March 31, 2012	146,238	146,238	-	-

Of significant individual accounts receivable as at December 31, 2012 approximately 73 percent was owed from four customers (March 31, 2012 – 74 percent 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 $44,880 as of December 31, 2012 (March 31, 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.

13. Financial risk management (continued)

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

d) Fair values

At December 31, 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 December 31, 2012 and March 31, 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.

	December 31, 2012			March 31, 2012		
	Carrying value		**Fair value**	Carrying value		Fair value
	FVTPL	**L&R**	**Total**	FVTPL	L&R	Total
Financial assets						
Cash	**$ 682,365**	**$ -**	**$ 682,365**	$ 548,752	$ -	$ 548,752
Accounts receivable	**-**	**1,159,239**	**1,159,239**	-	146,238	146,238
	$ 682,365	**$1,159,239**	**$1,841,604**	$ 548,752	$ 146,238	$ 694,990

	December 31, 2012			March 31, 2012		
	Carrying value		**Fair value**	Carrying value		Fair value
	FVTPL	**Other liability**	**Total**	FVTPL	Other liability	Total
Financial liabilities						
Accounts payable	**$ -**	**$ 484,153**	**$ 484,153**	$ -	$ 149,742	$ 149,742
Cash due on closing	**-**	**400,000**	**400,000**	-	-	-
Promissory note	**-**	**383,018**	**383,018**	-	-	-
Convertible debenture	**-**	**5,589,234**	**5,589,234**	-	-	-
	$ -	**$6,856,405**	**$6,856,405**	$ -	$ 149,742	$ 149,742

13. Financial risk management (continued)

e) Capital management

Capital is comprised of share capital, warrants, reserves, accumulated other comprehensive loss and 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 Singapore Dollar. 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:

				December 31, 2012
	Canadian Dollars	**Singapore Dollars**	**Hong Kong Dollars**	**Cdn Equivalent**
Cash	**$ 30,707**	**$ 669,835**	**$ 825,091**	**$ 682,365**
Accounts receivable and other	**3,715**	**1,266,559**	**974,608**	**1,159,239**
Accounts payable and accrued liabilities	**(130,913)**	**(389,486)**	**(280,045)**	**484,153**

			March 31, 2012
	Canadian Dollars	Hong Kong Dollars	Cdn Equivalent
Cash	$ 45,452	$ 3,911,245	$ 503,300
Accounts receivable and other	-	1,136,447	146,238
Accounts payable and accrued liabilities	(99,764)	(372,847)	(49,978)

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 and nine months ended December 31, 2012 and 2011 as indicated in the following table:

	Three month period ended December 31		Nine month period ended December 31	
	2012	2011	**2012**	2011
Customer E	**$ 280,745**	$ -	**$ 280,745**	$ -
Next five top customers				
Customer A	**30,146**	44,920	**111,931**	128,909
Customer B	**29,946**	32,425	**91,082**	101,215
Customer C	**19,559**	21,523	**59,699**	86,461
Customer D	**19,561**	22,532	**59,095**	82,692
Customer F	**39,640**	-	**39,640**	-
All other customers	**57,643**	42,628	**142,045**	129,005
Revenues	**$ 477,240**	$ 164,028	**$ 784,237**	$ 528,282

Nine months ended December 31, 2012	**Investment**	**SMS**	**Mobile**	**Total**
Revenues	**$ -**	**$ 447,010**	**$ 337,227**	**$ 784,237**
Amortization of property and equipment	**-**	**(78,315)**	**(14,986)**	**(93,301)**
Share based compensation	**-**	**-**	**-**	**-**
Provision for income taxes	**-**	**2,426**	**(1,293)**	**1,133**
Net (loss) income	**$ (870,256)**	**$ (35,742)**	**$ 89,188**	**$ (816,810)**
Segment assets, total	**$ 40,432**	**$ 289,373**	**$ 6,686,612**	**$7,016,417**
Total expenditures for property and equipment	**$ -**	**$ 3,622**	**$ 9,437**	**$ 13,059**

Nine months ended December 31, 2011	Investment	SMS	Total
Revenues	$ -	$ 528,282	$ 528,282
Amortization of property and equipment	-	(76,929)	(76,929)
Share based compensation	(14,300)	-	(14,300)
Provision for income taxes	-	(15,875)	(15,875)
Net (loss) income	$ (195,698)	$ 69,233	$ (126,465)
Segment assets, total	$ 55,777	$ 1,102,701	$ 1,158,478
Total expenditures for property and equipment	$ -	$ 1,385	$ 1,385