1. DATE AND GENERAL INFORMATION

This management's discussion and analysis ("MD&A") of GINSMS Inc. ("GINSMS" or the "Corporation") has been prepared by management and should be read in conjunction with the Corporation's annual audited financial statements and MD&A as at and for the year ended March 31, 2015, the Corporation's consolidated financial statements as at and for the three and six months ended September 30, 2015, and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A was prepared as of November 11, 2015. Additional information regarding the Corporation is available on SEDAR at www.sedar.com. All monetary amounts set forth in the MD&A are expressed in Canadian dollars, except where otherwise stated. Other currencies are mainly United States dollars ("USD"), Hong Kong dollars ("HKD"), China renminbi ("RMB"), Singapore dollars ("SGD"), Malaysian dollars ("MYR") and Indonesian rupiah ("IDR").

The Corporation Board of Directors has reviewed and approved this MD&A.

Caution Regarding Forward-Looking Information

Certain information included in this MD&A may contain forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", or "continue" or the negative thereof or variations thereon or similar terminology. These statements are not historical facts, but reflect management's current beliefs and are based on information currently available to management regarding future results and events. Particularly, these forward-looking statements are based on management's estimate of future events based on technological advances relating to the Corporation's services, current market conditions and past experiences of management in relation to how certain contracts will affect revenues. Forward-looking statements, by their very nature, involve significant risks, uncertainties and assumptions.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to dependence on major customers, system failures, delays and other problems, increasing competition, security and privacy breaches, dependence on third-party software and equipment, adequacy of network reliance, network diversity and backup systems, loss of significant information, insurance coverage, capacity limits, rapid technology changes, market acceptance, decline in volume of attractions, retention of key members of the management team, success of expansion into Chinese and other Asian markets, credit risk, consolidation of existing customers, dependence on required licenses, economy and politics in countries where the Company operates, conflicts of interest and residency of directors and officers. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Corporation cannot assure the reader that actual results will be consistent with these forward-looking statements.

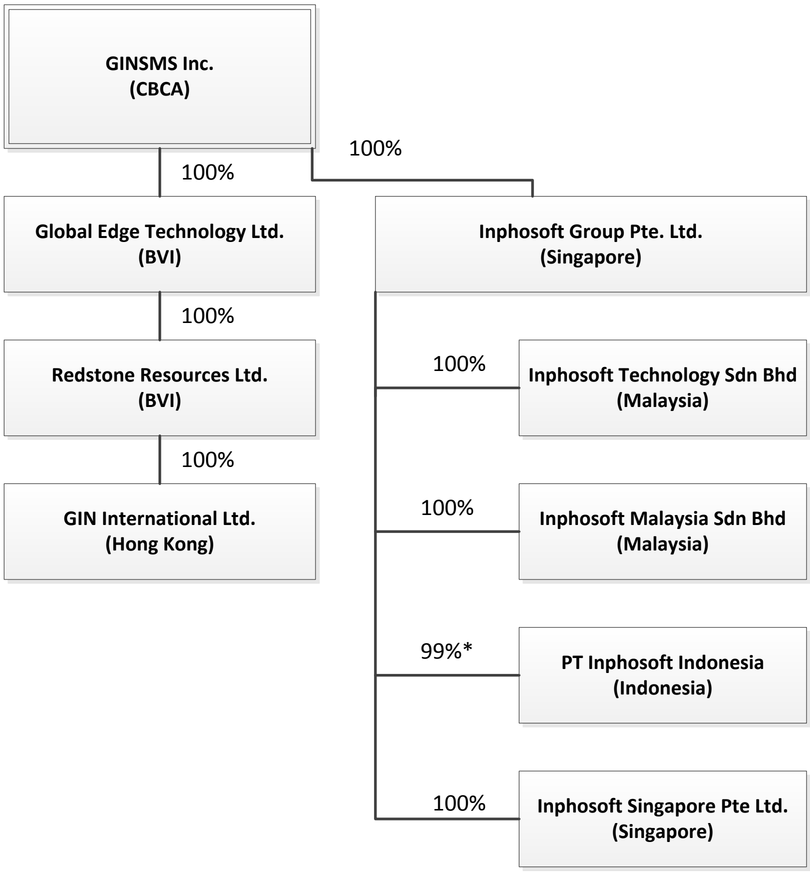
In particular, forward-looking statements include the following assumptions:

- Management's belief that the availability of 3G/4G services in China and the rest of the world will continue to create demand for the Corporation's software products and services.
- Management's belief that the future growth in messaging is in the area of application-to-person ("A2P") messaging and the Corporation's investment in this area will create a viable and profitable business in the future.
- Management's belief that the Corporation is able to generate sufficient amounts of cash through operations and financing activities to fulfil the working capital requirements of its present operations.

These forward-looking statements are made as of the date of this MD&A and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by law. Accordingly, readers should not place undue reliance on the forward-looking statements. All forward-looking statements contained in this MD&A are qualified by this cautionary statement.

2. OVERALL PERFORMANCE – DESCRIPTION AND OUTLOOK OF BUSINESS

Group Structure



*The remaining 1% is held by Joel Chin Siang Hui.

The Corporation has two main business segments:

a) Messaging Business
b) Software Products and Services

Messaging Business

The Corporation operates its messaging business through Gin International Ltd ("GIN"), its wholly-owned subsidiary in Hong Kong. Until recently, GIN was focused on providing inter-operator short messaging services ("IOSMS messaging") to mobile telecom operators in Hong Kong. IOSMS messaging is a short message services ("SMS") gateway providing connections between all mobile and fixed line operators. As a consequence of increased competition and the continuous decline of person-to-person ("P2P messaging") SMS traffic, the Corporation decided on September 12, 2014 to discontinue its IOSMS messaging service to focus exclusively instead on the application-to-peer ("A2P messaging") messaging business.

On March 27, 2014, the Corporation officially launched its cloud-based A2P messaging service. The service allows the transmission of SMS to mobile subscribers of more than 100 mobile operators globally. This is achieved through partnerships with service providers and direct connections with mobile operators globally. GIN's close working relationships with mobile operators in China, Hong Kong and Southeast Asia puts it in a good position to become a leading provider of A2P SMS service in Asia.

Through its cloud-based A2P messaging service, GIN enables mobile application developers, SMS gateways, enterprises and financial institutions to deliver SMS worldwide without any upfront capital investment through the use of GIN's rich application programming interface ("API").

Mobile application developers use A2P messaging service to deliver one-time-passwords ("OTP") for authentication of over-the-top ("OTT") mobile applications, in-app purchase confirmations or promotion of latest game releases. Enterprises and financial institutions use the A2P service in the areas of mobile marketing, mobile transactions, security, customer relationship management ("CRM") and enterprise resource planning ("ERP").

Juniper Research predicts that in 2016, revenue from A2P messaging will overtake that of P2P messaging as the mobile messaging ecosystem shifts from communication between individuals to sending and receiving service-enabling messages.

For the six months ended September 30, 2015, GIN generated revenue of $1,874,351 for its new service as compared to $182,951 for the six month ended September 30, 2014. The increase is substantial and GIN is expecting to grow the revenue significantly in the future.

To be successful in this new business, substantial investment has to be made in the areas of research and development. Up to September 30, 2015, GIN has spent about $270,000 to develop new services and improve the performance of its cloud-based A2P service.

Software Products and Services

GINSMS operates its software products and services through Inphosoft Group Pte Ltd ("Inphosoft"), its wholly-owned subsidiary. Inphosoft is headquartered in Singapore with subsidiaries in Malaysia and Indonesia.

The activities of Inphosoft consist of providing software products and services with a focus in the following areas:

a. Provision of products and solutions to mobile operators in the areas 3G/4G mobile data value-added services like mobile entertainment and mobile advertising.
b. Provision of mobile application development services.
c. Provision of support and maintenance services to customers that have purchased its products and solutions.

Inphosoft's main customers are mobile operators and these customers have been cutting their budget for investments in value-added services. This lower level of investment negatively impacted Inphosoft's business. Inphosoft is also facing increased competition from local and international competitors. As a result, management expects Inphosoft's business to continue to weaken. Inphosoft is taking steps to rein in operation cost as well as diversifying its customer base such that it becomes less dependent on mobile operators. To date, there is some progress made on this front and Inphosoft managed to increase its revenue to $522,588 for the six months ended September 30, 2015 compared to the $430,384 in the six months ended September 30, 2014.

3. RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2015

Selected Profit and Loss Information

Financial Highlights	Three-month period ended September 30, (Unaudited)		Six-month period ended September 30, (Unaudited)	
	2015	2014	2015	2014
Revenues $				
A2P Messaging Service	1,066,242	104,836	1,874,351	182,951
IOSMS Messaging Service	-	9,148	-	33,327
Software Product & Services	264,551	199,575	527,488	430,384
	1,330,793	313,559	2,401,839	646,662
Cost of sales $				
A2P Messaging Service	966,867	96,840	1,744,871	169,890
IOSMS Messaging Service	-	28,740	-	71,784
Software Product & Services	201,653	174,291	417,377	337,234
	1,168,520	299,871	2,162,248	578,908
Gross profit $				
A2P Messaging Service	99,375	7,996	129,480	13,061
IOSMS Messaging Service	-	(19,592)	-	(38,457)
Software Product & Services	62,898	25,284	110,111	93,150
	162,273	13,688	239,591	67,754
Gross margin %				
A2P Messaging Service	9.3%	7.6%	6.9%	7.1%
IOSMS Messaging Service	-	(214.2%)	-	(115.4%)
Software Product & Services	23.8%	12.7%	20.9%	21.6%
	12.2%	4.4%	10.0%	10.5%
EBITDA[(1)] $	(271,943)	(320,110)	(521,685)	(559,108)
EBITDA margin	(20.4%)	(102.1%)	(21.7%)	(86.5%)
Net earnings $	(888,217)	(857,801)	(1,724,893)	(1,590,226)
Net earnings margin	(66.7%)	(273.6%)	(71.8%)	(245.9%)
Net earnings (loss) per share $				
Basic	(0.02)	(0.02)	(0.03)	(0.03)
Diluted	(0.02)	(0.02)	(0.03)	(0.03)

(1) EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortization (in both cost of sales and general and administration expenses), interest expenses and the accretion on obligations.

The table below outlines the changes in the major categories:

	Three-month period ended September 30, (Unaudited)		**Six-month period ended September 30, (Unaudited)**	
	2015	2014	2015	2014
Amortization (cost of sales)				
- Development expenditure	29,102	47,252	57,876	89,640
Depreciation (cost of sales)				
- Property and equipment	9,324	8,531	18,193	17,122
Selling, General & Admin	472,642	389,581	837,345	733,624
Interest expenses	157,706	31,066	299,366	42,468
Accretion on obligations	416,602	352,242	818,364	684,552
Depreciation (expense)				
-Property and equipment	3,290	3,457	6,587	7,183
Amortization (expense)				
-Intangible assets-contracts	-	55,589	-	111,179
-Intangible assets-software	-	39,337	-	78,675

For the three and six months ended September 30, 2015, revenue was $1,330,793 and $2,401,839 compared to $313,559 and $646,662 for the three and six months ended September 30, 2014 respectively. This is largely due to the increase in revenue in both A2P SMS service and software products and services.

The A2P messaging service that the Corporation introduced on March 27, 2014 generated revenue of $1,066,242 and $808,109 for the three months ended September 30, 2015 and June 30, 2015 respectively. The management expects growth to continue in the coming quarter.

Revenue in the software products and services segment generated through Inphosoft's global partner, Acision, had declined significantly for the past one year and is not expected to recover soon. Acision had downsized its global sales team to focus on Acision's core products and places less emphasis on reselling partners' products. This resulted in the reduced demand for the Corporation's products. Since April 2015, the Corporation's new business partner, Activate Interactive Pte Ltd., had helped the Corporation increase its revenue in the software products and services segment by 24% from $337,234 for the six months ended September 30, 2014 to $417,378 for the six months ended September 30, 2015. Moving forward, the Corporation believes that the business conditions in the software products and services will remain challenging. The Corporation believes it needs to focus its efforts on other areas in order to create new revenue streams.

GIN has terminated its IOSMS messaging business effective on September 12, 2014. This should have improved the overall gross margin of the Corporation. Instead, the overall gross margin declined from 16.2% for the three months ended June 30, 2014 to 7.2% for the three months ended June 30, 2015 as the Corporation was offering competitive prices in order to gain market share in the A2P messaging market. However, the situation has now improved as for the three and six months ended September 30, 2015, the overall gross margin has improved to 12.2% and 10.0% respectively. The improvement is mainly attributed to the higher gross margin of 23.8% earned in the software products and services segment for the three months ended September 30, 2015.

The net loss for the three and six months ended September 30, 2015 amounted to $888,217 and $1,724,893 compared to an net loss of $857,801 and $1,590,226 for the same periods in the previous year due to the higher accretion costs and loan interest expenses. Accretion costs amounted to $416,602 and $818,364 in the three and six month period ended September 30, 2015 respectively compared to $352,242 and $684,552 in the three and six month period ended September 30, 2014 respectively. Loan interest expenses amounted to $157,706 and $299,366 in the three and six month period ended September 30, 2015 respectively compared to $31,066 and $42,468 in the three and six month period ended September 30, 2014 respectively. However, there is no more amortization of intangible assets in the current periods as the costs of intangible assets have been fully impaired in the year ended March 31, 2015.

Selling, general and administrative expenses amounted to $472,642 and $837,345 for the three and six months ended September 30, 2015 respectively compared to $389,581 and $733,624 for the three and six months ended September 30, 2014 respectively. The increase shown in the three and six months ended September 30, 2015 is attributed mainly to increase in foreign currency exchange loss incurred by the Corporation.

Selected Balance Sheet Information

	September 30, 2015 (Unaudited) $	**March 31, 2015 (Audited) $**
Current assets		
Cash	127,232	515,208
Accounts receivable and other	1,163,905	781,552
Prepaid expenses	171,778	109,062
	1,462,915	1,405,822
Fixed Assets		
Property and equipment	59,522	70,809
Development expenditures	581,633	606,044
TOTAL ASSETS	2,104,070	2,082,675
Current Liabilities		
Accounts payable and accrued liabilities	1,578,799	1,160,432
Provision for taxation	410	-
Promissory note payable	400,000	400,000
Convertible debentures	-	8,290,903
	1,979,209	9,851,335
Loans from related parties	2,744,583	2,293,970
Deferred income tax liability	3,257	1,145
TOTAL LIABILITIES	4,727,049	12,146,450
Shareholders' Equity		
Share capital	10,484,429	1,339,386
Reserves	-	131,995

Equity component of convertible debentures	-	35,776
Accumulated comprehensive income	79,667	23,363
Deficit	(13,181,949)	(11,590,406)
Non-controlling interest	(5,126)	(3,889)
	(2,622,979)	(10,063,775)
TOTAL LIABILITIES & EQUITY	2,104,070	2,082,675

(1) The figures reported above are based on the condensed interim consolidated financial statements of the Company which have been prepared in accordance with International Financial Reporting Standard.

Total assets of GINSMS including cash, accounts receivable, prepaid expenses, property and equipment and development expenditures as at September 30, 2015 totalled $2,104,070 compared to $2,082,675 as at March 31, 2015. Cash on hand amounted to $127,232, compared to $515,208, a decrease of 75.3%. The decrease was mainly due to getting smaller loans from the related parties in the current quarter ended September 30, 2015 as the Corporation relied more on the cash flow from its operations. The cash flow from financing activities is $177,608 and $232,131 for the three and six months ended September 30, 2015 respectively compared to $368,980 and $668,514 for the three and six months ended September 30, 2014 respectively, as shown in Section 5 Liquidity and Capital Resources.

Included in accounts receivables and other is an accounts receivable of $189,255 due from a company that is 85%-owned by the Chief Executive Officer of the Corporation.

<u>Loans from Related Parties</u>

	September 30, 2015 (Unaudited) $	March 31, 2015 (Audited) $
Loans from the Chief Executive Officer of the Corporation	2,170,437	1,791,869
Loan from a director of a subsidiary	13,203	11,546
Loan from Inphosoft Pte Ltd.	560,943	490,555
TOTAL LOANS FROM RELATED PARTIES	2,744,583	2,293,970

As at September 30, 2015, the aggregate principal amount of all related party loans is $2,744,583 (March 31, 2015: $2,293,970). These loans are unsecured and bear interest at rates ranging from 12% to 24% per annum (compounded daily based on a 365-day year).

As at September 30, 2015, the loan of $560,943 (March 31, 2015: $490,555) is from Inphosoft Pte Ltd ("IPL"), the former holding company of Inphosoft Group Pte Ltd. On September 24, 2015, IPL converted its convertible debentures of the Corporation and became a shareholder of the Corporation *(Section 10 – Shareholders' Equity & Disclosure of Outstanding Share Data).*

The Chief Executive Officer of the Corporation and IPL have both confirmed to the Corporation that they will not demand payment of the loans before September 30, 2016. Loan from a director of a subsidiary is repayable on demand.

Shareholders' equity as at September 30, 2015, showed a deficit of $2,622,979, improving from a deficit of $10,063,775 as at March 31, 2015. The improvement in shareholders' equity is largely due to the full conversion of all issued and outstanding convertible debentures of the Corporation into common shares on September 24, 2015 despite the loss of $1,724,893 recorded in the six months ended September 30, 2015 and mainly explained by the Corporation facing considerable competition in its existing principal activities as mentioned in Section 2 of this MD&A.

To address the going concern issue, the Corporation has instituted the following plan:

(a) The Corporation launched the new A2P SMS business during the previous year ended March 31, 2015, as mentioned in Section 2 of this MD&A. The Corporation is also consolidating certain general and administrative functions and expects these efforts to generate cost savings. Based on these plans, management believes that the Corporation will have the ability to continue operation for the next twelve months; and

(b) Despite of the Corporation's liabilities which include a promissory note payable and the interest-bearing loans from the related parties, the liquidity risk is addressed and mitigated as mentioned in Section 5 of this MD&A.

4. SUMMARY OF QUARTERLY RESULTS

The quarterly information set forth below has been presented on the same basis as the audited consolidated financial statements, and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements and the notes thereto.

$	Q3/FY14	Q4/FY14	Q1/FY15	Q2/FY15	Q3/FY15	Q4/FY15	Q1/FY16	Q2/FY16
Revenue								
A2P Messaging Service	-	-	78,115	104,836	307,127	627,535	808,109	**1,066,242**
IOSMS Messaging Service	30,427	28,158	24,179	9,148	(11,105)	12,598	-	**-**
Software Products & Services	223,900	190,977	230,809	199,575	140,235	183,415	262,937	**264,551**
	254,327	219,135	333,103	313,559	436,257	823,548	1,071,046	**1,330,793**
Cost of Sales								
A2P Messaging Service	-	-	73,050	96,840	285,500	582,240	778,004	**996,867**
IOSMS Messaging Service	51,497	59,050	43,044	28,740	1,059	14,218	-	**-**
Software Products & Services(1)	131,704	(37,093)	162,943	174,291	123,545	276,208	215,724	**201,653**
	183,201	21,957	279,037	299,871	410,104	872,666	993,728	**1,168,520**
Operating Expenses(2)	843,900	1,108,904	775,008	840,206	788,320	955,612	769,762	**892,534**
Net Loss Before Income Taxes	(772,774)	(997,934)	(732,343)	(857,584)	(821,075)	(4,364,951)	(834,104)	**(887,967)**
Income Taxes expense (benefit)	(135)	(3,604)	82	217	63	(469)	2,572	**250**
Net Loss	(772,639)	(994,330)	(732,425)	(857,801)	(821,138)	(4,364,482)	(836,676)	**(888,217)**
Net Loss (per share)								
Basic	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.07)	(0.02)	**(0.02)**

Diluted	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.07)	(0.02)	**(0.02)**

(1) Included in cost of sales in Q4/FY15 is an impairment on suspended projects amounting to $144,945.

(2) Represent the sum of selling, general and administrative expenses, amortization, accretion on obligations related to the convertible debentures and a promissory note and unrealized foreign exchange gain/loss. For comparative purpose, the fair value adjustment of convertible debenture in Q1/FY14 and Q4/FY14 were excluded, the development cost impairments in Q4/FY14 and Q4/FY15 were excluded and the interest expenses from Q4/FY14 to Q2/FY16 were also excluded. Finally, the goodwill and intangible assets impairment and the writeback of deferred tax liabilities on intangible assets in Q4/FY15 were excluded.

The A2P SMS service generated revenue for the first time for the quarter ended June 30, 2014, increased in the quarters ended from September 30, 2014 to September 30, 2015 and is expected to continue to grow. IOSMS revenue ceased by end of March 31, 2015 due to the termination of the P2P SMS services by the Corporation. The software products and services segment shows signs of improving but there is still no clear visibility on the trend moving forward.

5. LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30 (Unaudited)		Six months ended September 30 (Unaudited)	
	2015 $	2014 $	2015 $	2014 $
Cash, beginning of period	172,981	145,218	515,208	115,309
Net loss for the period	(888,217)	(857,801)	(1,724,893)	(1,590,226)
Future income tax expenses (recovery)	(8)	(82)	2,584	0
Exchange loss	109,684	493	142,553	16,090
Interest expense	157,706	31,066	299,366	42,468
Accretion on obligations	416,602	352,242	818,364	684,552
Amortization & depreciation	41,717	149,365	82,657	303,802
Changes in non-cash working capital	153,314	(56,167)	6,876	(58,448)
Cash flow from operations	(9,202)	(380,884)	(372,493)	(601,762)
Financing activity	177,608	368,980	232,131	668,514
Investing activity	(28,319)	(47,392)	(44,943)	(85,932)
Effect of exchange rate	(185,836)	1,772	(202,671)	(8,435)
Cash, end of period	127,232	87,694	127,232	87,694
Total Cash Provided (Used)	(45,749)	(57,524)	(387,976)	(27,615)

The capital resources of the Corporation are comprised mainly of the equity of the Corporation. The debts of the Corporation are comprised mainly of a promissory note payable and loans by the related parties.

GINSMS has a deteriorated liquidity position for the three and six months ended September 30, 2015 compared to three and six months ended September 30, 2014 primarily due to smaller unsecured interest-bearing loans provided by the related parties as the Corporation relied more on the revenue generated from the messaging and software product and service business in the period.

GINSMS is facing a lower liquidity risks as it has lower working capital deficiency of $516,294 since Xinhua Mobile Limited ("Xinhua Mobile") and IPL have now each converted the convertible debentures of the Corporation they held into common shares on September 24, 2015. The Corporation's liabilities now include a promissory note payable and the interest-bearing loans from the related parties.

The operation of the Corporation is partially financed by the interest-bearing loans from the related parties amounting to $2,744,583 as at September 30, 2015 as compared to $2,293,970 as at March 31, 2015. The terms and conditions of the loans are described below under Section 3 – *Loans from Related Parties*.

The promissory note has an initial present value of $366,523 with accretion recorded at an annual interest rate of 6%.

Apart from obligations to pay the promissory note payable and the loans made by related parties, the Corporation has also liabilities related to operating lease obligations for the lease of its office space.

The Corporation has lease agreements outstanding for various terms up to May 15, 2018. Payments are to be incurred in SGD, RMB and IDR. The Canadian dollar equivalent as of September 30, 2015 is a total of $179,000, of which $79,000 is to be incurred within one year of the statement of financial position date and $100,000 after one year and within five years.

However, the liquidity risk is mitigated as the Corporation is currently in discussion on extending the due date on the promissory note payable of $400,000 and the interest-bearing loans from the related parties. The Corporation has received confirmation from its related party lenders that they will not recall their loans in the next twelve months as mentioned below under Section 3 – *Loans from Related Parties*. They have informed the Corporation that they will not recall the interest-bearing loans before March 31, 2016.

The Corporation is also currently in discussion with the note holder on extending the due date on the note payable, and the note payable holder has informed the Corporation that it will not call the note before March 31, 2016.

6. OFF BALANCE SHEET ARRANGEMENTS

GINSMS does not utilize off-balance sheet arrangements.

7. TRANSACTIONS WITH RELATED PARTIES

The Corporation was a party to the following related party transactions that have been recorded at their exchange amounts for the three months ended September 30, 2015:

	Three-month period ended September 30,		Six-month period ended September 30,	
	2015	2014	2015	2014
Software products and services revenue from a company controlled by an officer	$46,217	-	173,143	-
Accounting fee paid to an officer (appointed on September 4, 2015)	5,579	-	5,579	-
Consulting fees paid to a former director (resigned on September 4, 2015)	2,342	2,950	5,706	5,905
Management salaries paid to directors of a subsidiary	61,568	57,198	122,388	114,423

Management salaries paid to an officer	33,119	30,779	65,837	61,572
Rent charged by a company controlled by an officer	14,005	-	20,944	-
Rent charged by a family member of a former director (resigned on September 4, 2015)	-	2,950	-	5,905
Interest charged on loan from an officer	124,199	8,552	235,016	10,769
Interest charged on loan from a director of a subsidiary	771	598	1,480	888
Interest charged on loan from a shareholder	32,737	-	62,871	-
Interest charged on loan from a related party	-	21,915	-	30,808

As at September 30, 2015, the Corporation have non-trade loans from related parties of $2,744,583 (March 31, 2015 - $2,293,970). Please refer to Section 3 – *Loans from Related Parties* above for more details of these loans.

Included in accounts payables and accrued liabilities are amounts of $61,208 (March 31, 2015 - $47,370) owed to related parties.

Included in accounts receivables and other (net) is an accounts receivable of $189,255 (March 31, 2015- $Nil) owed by a related party. Please refer to Section 3 – Accounts receivables from a related party above for more details.

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

8. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CHANGES) AND BASIS OF PRESENTATION AND ADOPTION OF IFRS

The significant accounting policies used in the preparation of the Corporation audited consolidated financial statements are described in Note 3 of the audited consolidated financial statements for the year ended March 31, 2015. There have been no changes to our accounting policies since March 31, 2015.

9. FINANCIAL INSTRUMENTS

Financial instruments of GINSMS consist of cash, account receivables, accounts payable, accrued liabilities, interest-bearing loans of related parties and a promissory note payable. GINSMS limits exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amounts of cash, accounts receivable and other accounts payable, accrued liabilities and interest-bearing loans of related parties approximate their values due to the short-term nature of these instruments. The functional currency of GET, a subsidiary of the Corporation is the HKD. In the case of Inphosoft, the functional currency is principally that of the SGD but also the IDR and the MYR. In accordance with Canadian GAAP, the consolidated financial statements of GINSMS, which are prepared using the functional currencies, have been translated into Canadian dollars. Assets and liabilities are translated at exchange rates applicable at the balance sheet dates; revenues and expenses are translated at the average exchange rates applicable during the period covered by the financial statements; and capital and statutory capital reserves are translated at historical exchange rates.

Conversion of Convertible Debentures of the Corporation into Common Shares

On September 24, 2015, Xinhua Mobile and IPL, the only holders of the Corporation's convertible debentures, converted their convertible debentures with an aggregate principal amount of $6,255,484 and $2,853,783 respectively into 62,554,840 and 28,537,830 common shares of the Corporation respectively (See below Section 10 – *Conversion of Convertible Debentures of the Corporation into Common Shares*).

10. SHAREHOLDERS' EQUITY & DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

	September 30, 2015	March 31, 2015
Share capital	**10,484,429**	1,339,386
Reserves	**-**	131,995
Equity Component of Convertible Debentures	**-**	35,776
Accumulated comprehensive income	**79,667**	23,363
Deficit	**(13,181,949)**	(11,590,406)
Non-controlling interest	**(5,126)**	(3,889)
	(2,622,979)	(10,063,775)

Shareholders' equity as at September 30, 2015 is a negative amount of $2,622,979 compared to a negative amount of $10,063,775 as at March 31, 2015. The improvement in shareholders' equity is due to a large extent to the conversion of all the Corporation's convertible debentures into common shares hence offsetting the net loss of $1,724,893 recorded in the six months ended September 30, 2015.

On September 24, 2015, Xinhua Mobile and IPL converted their convertible debentures with an aggregate principal amount of $6,255,484 and $2,853,783 respectively into 62,554,840 and 28,537,830 common shares of the Corporation respectively (See below Section 10 – *Conversion of Convertible Debentures of the Corporation into Common Shares*).

Authorized

The authorised share capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preferred shares.

The holders of the common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of common shares.

The holders of the preferred shares are entitled to preference over the holders of common shares with respect to the payment of dividends, dissolution or winding-up or any other return of capital or distribution of assets for the purpose of winding up the Corporation's affairs. As at the date thereof, there are no preferred shares issued and outstanding.

The table below summarizes the issued and outstanding shares of the Corporation for the six months ended September 30, 2015 versus the twelve months ended March 31, 2015.

Issued	September 30, 2015		March 31, 2015	
	Shares	**Amount ($)**	**Shares**	**Amount ($)**
Balance, beginning of period	**51,537,499**	**1,339,386**	**51,537,499**	**1,339,386**
Common shares issued as a result of the conversion of convertible debentures	91,092,670	9,109,267	-	-
Transfer from equity component of convertible debentures		35,776	**-**	**-**
Balance, end of period	**142,630,169**	**10,484,429**	**51,537,499**	**1,339,386**

Information on the Corporation's capital, including the numbers of common shares issued and outstanding is contained in the Corporation's audited consolidated financial statements which are available at www.sedar.com.

During fiscal year 2010, the Corporation completed its IPO by issuing 11,337,500 units at $0.15 per unit with each unit consisting of one common share and one-half of one common share purchase warrant. During the three month period ended December 31, 2011, 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.

During fiscal year 2010, 233,333 shares were issued to directors and officers for gross proceeds of $35,000.

In 2012, 200,000 were issued to the Sponsor of GINSMS as part of its compensation in connection with the acquisition of Inphosoft.

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.

On September 24, 2015, Xinhua Mobile and IPL converted their convertible debentures with an aggregate principal amount of $6,255,484 and $2,853,783 respectively into 62,554,840 and 28,537,830 common shares of the Corporation respectively (See below Section 10 – *Conversion of Convertible Debentures of the Corporation into Common Shares*).

Stock-based compensation plan

On May 13, 2009, the Corporation 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 TSXV 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. The Board of Directors of the Corporation has discretion to determine vesting conditions affecting the stock options.

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.

On July 25, 2011, 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.

	Exercise Price	Number of options	Reserve Balance
Balance, March 31, 2012 and 2013			
Issued to directors and officers	$0.10	1,375,000	$429,431
Cancellation of options		(575,000)	-
Balance, March 31, 2014		800,000	$429,431
Adjustment of fair value of options		-	(297,436)
Balance, March 31, 2015		800,000	$131,995
Cancellation of options – Jonathan Lai		(500,000)	(82,497)

Cancellation of options – Non-executive directors	(300,000)	(49,498)
Balance, September 30, 2015	-	-

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 ended. Another 75,000 stock options were cancelled due to the resignation of the director to whom those options had been granted.

On September 4, 2015, the Corporation announced that Mr. Jonathan Lai resigned as both interim Chief Financial Officer and Director of the Corporation. Mr. Jonathan Lai did not exercise his stock options at the date of the cessation of his roles as interim Chief Financial Officer and director of the Corporation. Consequently, all the 500,000 stock options of the Corporation granted to Mr. Jonathan Lai were cancelled. On September 15, 2015, the Corporation announced that it cancelled all the 300,000 stock options of the Corporation granted to its two non-executive directors.

As of September 30, 2015, there are no options outstanding.

Transfer of 20% shareholding of the Corporation to One Heart International Limited

On March 28, 2014, the then Corporation's Chairman of the Board of Directors, Mr. Jonathan Lai, through a company called Panaco Limited, and another company in which Mr. Lai held a five percent ownership interest, Royal Link Investment Limited ("Royal Link"), entered into a Share Purchase Agreement with One Heart International Limited ("One Heart") to sell 10,307,500 common shares of the Corporation representing 20% of all of the issued and outstanding common shares of the Corporation.

One Heart is controlled by Mr. Yih Hann Lian , the co-founder and a former Chairman and director of Inphosoft Group Pte Ltd, a wholly owned subsidiary of the Corporation. He is also the Chairman and Chief Executive Officer of Xinhua Holdings Limited. One Heart has paid an aggregate purchase price of $1,546,125 or $0.15 per Common Share in consideration for the sale of the Common Shares. The purchase price is payable by way of two promissory notes. Each note was due and became payable three months from its issuance and bore an interest of 18% per annum. The transfer of the Common Shares to One Heart was approved by both the TSXV and the Corporation's shareholders. The transaction closed on December 19, 2014.

Transfer of 54.57% shareholding of the Corporation to Xinhua Mobile Limited

On January 15, 2015, the Corporation was informed that Mr. Lai, Panaco and One Heart had entered into Share Purchase Agreements with Xinhua Mobile to sell an aggregate of 28,123,320 common shares of the Corporation representing 54.57% of all of the issued and outstanding common shares of the Corporation (collectively, the "Common Shares").

Xinhua Mobile is a 100% owned subsidiary of Xinhua Holdings Limited ("Xinhua Holdings"), together with its subsidiaries ("Xinhua Group"). Xinhua Group is a multi-disciplinary group headquartered in Hong Kong and doing businesses in China and the rest of Asia, including Japan. Xinhua Holdings' securities are listed on the Tokyo Stock Exchange's ("TSE") Second Section (9399).

Xinhua Mobile paid an aggregate purchase price of $6,235,537 or $0.35 per Common Share in consideration for the sale of 17,815,820 Common Share from Mr. Lai and Panaco. The purchase price was payable by way of two promissory notes and the transfer to Royal Link of all of the equity interest in a Peoples Republic of China subsidiary of the Xinhua Group. Each note was due and payable three months from its issuance and will bear an interest of 18% per annum compounded on a daily basis. In addition, Xinhua Mobile paid an aggregate purchase price of $1,546,125 or $0.15 per Common Share in consideration for the sale of 10,307,500 Common Share from One Heart. The purchase price was paid by way of a promissory note. The note was due and payable six months from its issuance and had an interest of 9% per annum compounded on a daily basis.

On January 15, 2015, One Heart granted an option ("Option") to Xinhua Mobile to purchase convertible debentures of the Corporation with a principal amount of $6,255,484 (collectively the "Convertible Debentures"). The exercise price of the Option is equal to the face value of the Convertible Debentures. Xinhua Mobile exercised the Option on May 1, 2015 and entered into a Convertible Debentures Purchase Agreement with One Heart to purchase the Convertible Debentures for a total consideration of $6,255,484. The purchase price was by way of a promissory note. The note was due and payable 6 months from its issuance and had an interest of 18% per annum compounded on a daily basis. On April 13, 2015, the transfer of the Common Shares and the Convertible Debentures to Xinhua Mobile was approved by the TSXV and by the shareholders of the Corporation. The transaction was completed on September 8, 2015.

Pursuant to the terms of the Agreements, the Corporation became a subsidiary of Xinhua Mobile on September 8, 2015. Consequently, Xinhua Holdings became the ultimate holding company of the Corporation.

Conversion of Convertible Debentures of the Corporation into Common Shares

On June 3, 2015, during the Corporation's Annual and Special Meeting of Shareholders, the shareholders of the Corporation adopted a resolution amending the terms of the Corporation's convertible debentures to remove the conversion restriction affecting such convertible debentures and preventing a holder thereof from converting the convertible debentures in certain specific situations. Consequently, holders of the Corporation's convertible debentures had a right to convert all of their convertible debentures into shares at any time before the convertible debentures expiry date.

On September 24, 2015, Xinhua Mobile and IPL converted their convertible debentures with an aggregate principal amount of $6,255,484 and $2,853,783 respectively into 62,554,840 and 28,537,830 common shares of the Corporation respectively. After the conversion, Xinhua Mobile, together with its current ownership of 28,123,320 common shares or 54.57% of all issued and outstanding common shares of the Corporation, now owns 90,678,160 common shares of the Corporation or 63.58% of all issued and outstanding common shares of the Corporation. IPL owns 28,537,830 common shares of the Corporation or 20.01% of all issued and outstanding common shares of the Corporation.

11. SUBSEQUENT EVENTS

On October 30, 2015, the Board of Directors of the Corporation accepted the resignation of GHP Horwath P.C. as auditors of the Corporation and the appointment of RSM Hong Kong, Chartered Accountants as the new auditors of the Corporation. GHP Horwath P.C. resigned at the Corporation's request. The decision to change auditors was not the result of any disagreement between the Corporation and GHP Horwath P.C. on any matter of accounting principles or practices, financial statements disclosures or auditing scope of procedures. The Corporation decided to change auditors so that its auditors and the auditors of its ultimate parent, Xinhua Holdings, would be the same.

The Corporation had given notice of the change of auditors to Ontario Securities Commission, British Columbia Securities Commission and Alberta Securities Commission on October 30, 2015.