

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 twelve months ended March 31, 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 July 22, 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

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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.

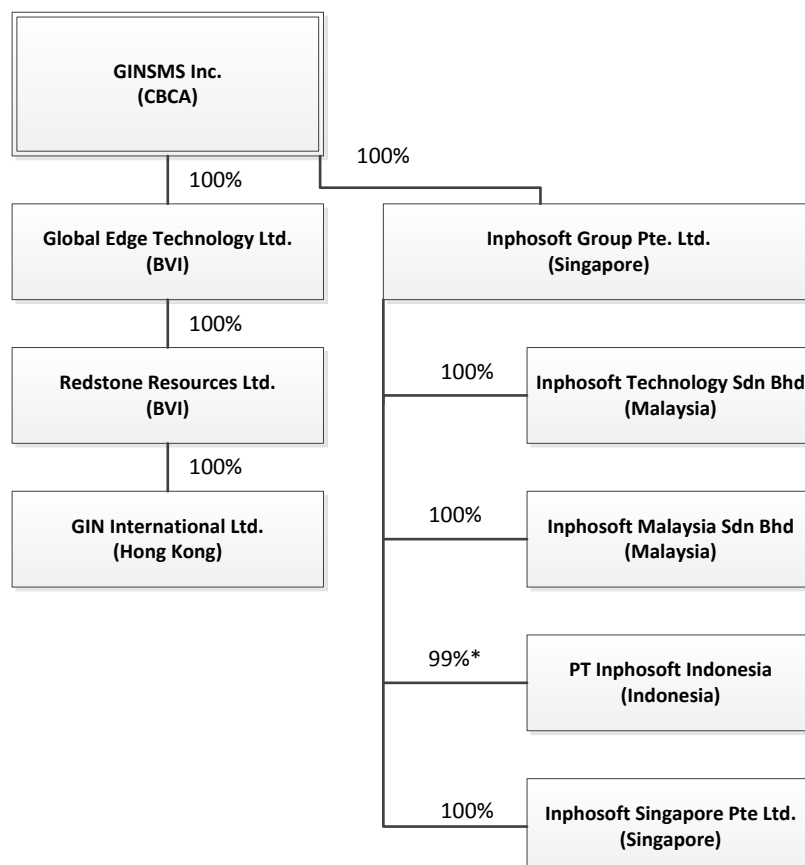
In particular, forward-looking statements include the following assumptions:

- 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”) to mobile telecom operators in Hong Kong. IOSMS is a short message services (“SMS”) gateway providing connections between all mobile and fixed line operators. The gateway identifies the recipient’s operator ID and delivers the message to the corresponding operator’s SMS gateway. IOSMS’ function is to identify and deliver an SMS correctly. GINSMS has agreements with various telecommunications operators in Hong Kong. These operators are charged a fee based on traffic relayed through GIN’s IOSMS gateway. Through increased competition and the continuous decline of person-to-person (“P2P”) SMS traffic, the Corporation believes that the IOSMS business is not viable as a standalone business and has decided to discontinue its IOSMS

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service beginning September 12, 2014 and instead focus on the application-to-peer ("A2P") messaging business.

On March 27, 2014, the Corporation announced that GIN has officially launched its cloud-based A2P SMS 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 SMS 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 SMS 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 SMS will overtake that of P2P SMS as the mobile messaging ecosystem shifts from communication between individuals to sending and receiving service-enabling messages.

GIN has since actively marketed the service and has started generating revenue from the service starting in April, 2014. For the three and twelve months ended March 31, 2015, GIN generated revenue of \$616,188 and \$1,106,266 respectively for this new service and 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. GIN has spent about \$220,000 in the current financial year to develop new services and improve the performance of its cloud service.

GIN intends to focus entirely on its A2P SMS service and has discontinued its IOSMS operations. GIN has negotiated with the mobile operators in Hong Kong to terminate the IOSMS agreements signed with them without incurring penalty and has terminated its IOSMS business effective September 12, 2014. Moving forward, the Company will no longer generate any P2P IOSMS revenue.

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 principal business focus in the following areas:

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- 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 on investments in value-added services. This has a negative impact on Inphosoft's business. Inphosoft is also facing increased competition from local and international competitors. Consequently, 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 is less dependent on mobile operators. There is some progress made on this front and Inphosoft managed to increase its revenue for the quarter ended March 31, 2015 compared to the quarter ended December 31, 2014.

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3. RESULTS OF OPERATIONS FOR THE THREE AND TWELVE MONTHS ENDED MARCH 31, 2015

Selected Profit and Loss Information

Financial Highlights	Three-month period ended March 31, (Unaudited)		Twelve-month period ended March 31, (Audited)	
	2015	2014	2015	2014
Revenues \$				
A2P SMS Service	627,535	-	1,117,613	-
IOSMS	12,598	28,158	34,820	129,360
S/W Product & Services	183,415	190,977	754,034	1,001,427
	823,548	219,135	1,906,467	1,130,787
Cost of sales \$				
A2P SMS Service	582,240	-	1,037,629	-
IOSMS	14,218	59,050	87,061	215,566
S/W Products & Services	276,208	(37,093)	736,987	366,204
	872,666	21,957	1,861,677	581,770
Gross profit \$				
A2P SMS Service	45,295	-	79,984	-
IOSMS	(1,620)	(30,892)	(52,241)	(86,206)
S/W Products & Services	(92,793)	228,070	17,047	635,223
	(49,118)	197,178	44,790	549,017
Gross margin %				
A2P SMS Service	7.2%	-	7.2%	-
IOSMS	(12.9%)	(109.7%)	(150.0%)	(66.6%)
S/W Products & Services	(64.1%)	119.4%	2.3%	63.4%
	(6.0%)	90.0%	2.3%	48.6%
EBITDA ⁽¹⁾ \$	(398,214)	(493,279)	(1,258,120)	(1,157,946)
EBITDA margin	(48.4%)	(225.1%)	(66.0%)	(102.4%)
Net earnings \$	(4,364,482)	(994,330)	(6,775,846)	(2,972,208)
Net earnings margin	(530.0%)	(453.8%)	(355.4%)	(262.8%)
Net earnings (loss) per share \$				
Basic	(0.07)	(0.02)	(0.13)	(0.06)
Diluted	(0.07)	(0.02)	(0.13)	(0.06)

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

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The table below outlines the changes in the major categories:

	Three months March 31, 2015 \$	Three months March 31, 2014 \$	Twelve months March 31, 2015 \$	Twelve months March 31, 2014 \$
Amortization (cost of sales)				
- Development expenditure	42,119	(123,054)	172,104	91,627
Depreciation (cost of sales)				
- Property and equipment	8,906	20,168	34,837	23,003
Suspended projects impairment (cost of sales)	144,945	-	144,945	-
Selling, General & Admin	533,718	587,571	1,643,448	1,821,593
Fair value adjustment on convertible debenture	-	72,046	-	(36,835)
Interest expenses	98,285	277	199,661	277
Accretion on obligations	379,175	397,577	1,433,226	1,321,854
Goodwill impairment	2,830,364	-	2,830,364	-
Intangible assets impairment	393,375	-	393,375	-
Writeback of deferred tax liability on intangible assets	(126,259)	-	(126,259)	-
Development expenditure impairment	164,456	13,885	164,456	13,885
Depreciation (expense)				
-Property and equipment	3,382	4,193	13,943	10,167
Amortization (expense)				
-Intangible assets- contracts	-	83,538	111,179	233,538
-Intangible assets- software	39,337	36,025	157,350	156,025

For the three and twelve months ended March 31, 2015, revenue was \$823,548 and \$1,906,467 respectively compared to \$219,135 and \$1,130,787 for the three month and twelve month ended March 31, 2014 respectively. This is largely due to the increase in revenue in A2P SMS Service segment despite the decrease in revenue in the software products and services segment.

The A2P SMS Service that the Corporation introduced in March 27, 2014 generated revenue of \$627,535 and \$1,117,613 for the three and twelve months ended March 31, 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, has declined significantly from a year ago and is not expected to recover soon. Acision has 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

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products. Moving forward, the business conditions will remain challenging and the Corporation has to focus its efforts on other areas in order to create new revenue streams.

Revenue from the Corporation's IOSMS activities, taken separately, declined by 55.3% and 73.0% for the three and twelve months ended March 31, 2015 respectively compared to the same period in the previous year. The decline in the revenue generated from the IOSMS platform is due to the less favourable terms of the contracts signed with mobile network operators that came into effect on March 1, 2013 as well as the general downtrend of P2P SMS traffic in Hong Kong. This situation is not expected to improve as consumers will continue to migrate to over-the-top ("OTT") messaging applications like Whatsapp, Line and Facebook Messenger for P2P text communication. As explained earlier, GIN has terminated its IOSMS business effective September 12, 2014. This should have improved the overall gross margin of the Corporation. Instead, the overall gross margin is showing a gross deficit of 6.0% because of suspended projects impairment amounting to \$144,945 in costs of sales. Excluding suspended projects impairment, the overall gross margin would have improved to 11.6% in the three months ended March 31, 2015 compared to 6.0% in the three months ended December 31, 2014 and 4.4% in three months ended September 30, 2014.

The net loss for the three and twelve months ended March 31, 2015 amounted to \$4,364,482 and \$6,775,846 respectively compared to a loss of \$994,330 and \$2,972,208 for the same periods in the previous year due to lower gross profit margin and the non-cash charge to earnings of \$2,830,364, \$393,375 and \$144,945 representing the impairment in value of goodwill, the net book value of intangible assets and costs of suspended projects respectively in the fourth quarter of the year. There are also higher impairment of development costs and interest expenses amounting to \$164,456 and \$199,661 respectively in the current year comparing to \$13,885 and \$277 respectively in the previous year.

The goodwill of \$2,830,364 represented the excess of the consideration on acquisition of Inphosoft Group Pte Ltd and its subsidiaries ("Inphosoft") over the fair value of the Corporation's share of the identifiable net assets acquired on September 28, 2012.

The consideration or purchase price has been computed based on the forecasted revenue and earnings before income tax of Inphosoft for the years from 2013 to 2016. The revenue and earnings before income tax were forecasted to grow at rates ranged from about 15% to 44%. However, revenue and earnings before income tax of Inphosoft have not met the forecasted numbers from 2013 to 2015.

The values of goodwill and intangible assets have been impaired due to the decline in software products and services and this business is no longer the key focus of the Corporation. For the similar reason, the Corporation has reviewed the projects on hand and impaired the cost of development expenditure and projects whereby the demand has declined and the projects can no longer generate positive realisable value.

Selling, general and administrative expenses amounted to \$533,718 and \$1,643,448 for the three and twelve months ended March 31, 2015 compared to \$587,571 and \$1,821,593 for the three and

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twelve months ended March 31, 2014 respectively. The decrease in twelve months ended March 31, 2015 is attributed to a cost cutting exercise undertaken by the Corporation.

Selected Balance Sheet Information

	March 31, 2015 (Audited) \$	March 31, 2014 (Audited) \$
Current assets		
Cash	515,208	115,309
Accounts receivable and other	781,552	384,481
Prepaid expenses	109,062	92,104
	1,405,822	591,894
Fixed Assets		
Property and equipment	70,809	108,874
Development expenditures	606,044	758,678
Goodwill	-	2,830,364
Intangible Assets - contracts	-	111,181
Intangible Assets - software	-	550,725
TOTAL ASSETS	2,082,675	4,951,716
Current Liabilities		
Accounts payable and accrued liabilities	1,160,432	562,031
Promissory note payable	400,000	400,000
Convertible debentures	8,290,903	-
	9,851,335	962,031
Loans from related parties	2,293,970	225,981
Convertible debentures	-	6,857,677
Deferred income tax liability	1,145	127,601
TOTAL LIABILITIES	12,146,450	8,173,290
Shareholders' Equity		
Share capital	1,339,386	1,339,386
Reserves	131,995	429,431
Equity component of convertible debentures	35,776	35,776
Accumulated comprehensive income	23,363	89,628
Deficit	(11,590,406)	(5,114,619)
Non-controlling interest	(3,889)	(1,176)
	(10,063,775)	(3,221,574)
TOTAL LIABILITIES & EQUITY	2,082,675	4,951,716

(1) The figures reported above are based on the 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 March 31, 2015 totalled \$2,082,675 compared to

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\$4,951,716 as at March 31, 2014. Cash on hand amounted to \$515,208, compared to \$115,309, an increase of 346.8%. The value of goodwill and intangible assets have been impaired in the fourth quarter of the year ended March 31, 2015, as explained in Section 3 of this MD&A.

Loans from Related Parties

	March 31, 2015 (Audited) \$	March 31, 2014 (Audited) \$
Loans from the Chief Executive Officer of the Corporation	1,791,869	33,421
Loan from a director of a subsidiary	11,546	8,838
Loan from Inphosoft Pte Ltd	490,555	-
Loan from Mr. Yih Hann Lian	-	183,722
TOTAL LOANS FROM RELATED PARTIES	2,293,970	225,981

As at March 31, 2015, the aggregate principal amount of all related party loans was \$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 March 31, 2014 the aggregate principal amount of all related party loans was \$225,981 and each was unsecured and bear interest at 12% per annum (compounded daily based on a 365-day year).

As at March 31, 2015, the loan of \$490,555 is from Inphosoft Pte Ltd, the former holding company of Inphosoft Group Pte Ltd.

As at March 31, 2014, the lender of the related party loan in the aggregate principal amount of \$183,722 was Lian Yih Hann, a former director of the Corporation and now the Chief Executive Officer of Xinhua Holdings Limited. This related party loan was repaid with part of the proceeds of the additional loans obtained from the Chief Executive Officer of the Corporation during the financial year ended March 31, 2015 (for further information about the relationship existing between Lian Yih Hann and the Corporation – please see below Section 11 – *Transfer of 20% shareholding of the Corporation to One Heart International Limited and Transfer of 54.57% shareholding of the Corporation to Xinhua Mobile Limited*).

The Chief Executive Officer of the Corporation and Inphosoft Pte Ltd have both confirmed to the Corporation that they will not demand payment of the loans before March 31, 2016. Loan from a director of a subsidiary is repayable on demand.

Shareholders' equity as at March 31, 2015, showed a deficit of \$10,063,775, deteriorated from a deficit of \$3,221,574 as at March 31, 2014. The drop in shareholders' equity is largely due to the loss of \$6,775,846 recorded in the twelve months ended March 31, 2015 this is 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:

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(a) The Corporation launched the new A2P SMS business during the current 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 the current value of the convertible debentures, 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.

\$	Q1/FY14	Q2/FY14	Q3/FY14	Q4/FY14	Q1/FY15	Q2/FY15	Q3/FY15	Q4/FY15
Revenue								
A2P SMS Service	-	-	-	-	78,115	104,836	307,127	627,535
IOSMS	36,738	34,037	30,427	28,158	24,179	9,148	(11,105)	12,598
S/W Products & Services ⁽¹⁾	408,846	177,704	223,900	190,977	230,809	199,575	140,235	183,415
	445,584	211,741	254,327	219,135	333,103	313,559	436,257	823,548
Cost of Sales								
A2P SMS Service	-	-	-	-	73,050	96,840	285,500	582,240
IOSMS	57,124	47,895	51,497	59,050	43,044	28,740	1,059	14,218
S/W Products & Services	103,320	168,273	131,704	(37,093)	162,943	174,291	123,545	276,208
	160,444	216,168	183,201	21,957	279,037	299,871	410,104	872,666
Operating Expenses ⁽²⁾	762,966	827,407	843,900	1,108,904	775,008	840,206	788,320	955,612
Net Loss Before Income Taxes	(368,945)	(831,834)	(772,774)	(997,934)	(732,343)	(857,584)	(821,075)	(4,364,951)
Income Taxes expense (benefit)	4,165	295	(135)	(3,604)	82	217	63	(469)
Net Loss	(373,110)	(832,129)	(772,639)	(994,330)	(732,425)	(857,801)	(821,138)	(4,364,482)
Net Loss (per share)								
Basic	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.07)
Diluted	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.07)

(1) Included in cost of sales in Q4-15 is suspended projects impairment 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 Q1-14 and Q4-14 were excluded, the development cost impairment in Q4-14 and Q4-15 were excluded and the interest expenses from Q4-14 to Q4-15 were also excluded. Finally, the goodwill and intangible assets impairment and the writeback of deferred tax liabilities on intangible assets in Q4-15 were excluded.

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The A2P SMS Service generated revenue for the first time for the quarter ended June 30, 2014, increased in the quarters ended September 30, 2014, December 31, 2014 and March 31, 2015 and is expected to continue to grow. IOSMS revenue continues to decline due to the reasons discussed earlier in Section 2 of this MD&A. The software products and services segment shows signs of improving but there is no clear visibility on the trend moving forward.

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5. LIQUIDITY AND CAPITAL RESOURCES

	Three months ended March 31 (Unaudited)		Twelve months ended March 31 (Audited)	
	2015 \$	2014 \$	2015 \$	2014 \$
Cash, beginning of period	20,283	179,334	115,309	965,917
Net loss for the period	(4,364,482)	(994,330)	(6,775,846)	(2,972,208)
Future income tax expenses	(875)	64	(841)	64
Exchange loss	53,431	2,513	83,584	10,310
Interest expense	98,285	277	199,661	277
Accretion on obligations	379,175	397,577	1,433,226	1,321,854
Fair value adjustment of convertible debenture	-	72,046	-	(36,835)
Writeback of deferred tax liability on intangible assets	(126,259)	-	(126,259)	-
Goodwill impairment	2,830,364	-	2,830,364	-
Intangible assets impairment	393,375	-	393,375	-
Development cost impairment	164,456	13,885	164,456	13,885
Suspended projects impairment	144,945	-	144,945	-
Amortization & depreciation	93,742	20,799	489,413	514,289
Changes in non-cash working capital	131,277	233,260	(4,153)	718,126
Cash flow from operations	(202,566)	(253,909)	(1,168,075)	(430,238)
Financing activity	680,333	225,704	1,685,725	(174,296)
Investing activity	(31,774)	(36,744)	(163,190)	(272,103)
Effect of exchange rate	48,932	924	45,439	26,029
Cash, end of period	515,208	115,309	515,208	115,309
Total Cash Provided (Used)	494,925	(64,025)	399,899	(850,608)

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

GINSMS has an improved liquidity position for the three months ended March 31, 2015 compared to three months ended March 31, 2014 primarily due to the unsecured interest-bearing loans provided by the related parties and the revenue generated from the new A2P SMS Service business in this quarter.

GINSMS is subject to liquidity risks as the Corporation has working capital deficiency of \$8,445,513. The Corporation's liabilities include the current value of the convertible debentures, a promissory note payable and the interest-bearing loans from the related parties.

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The operation of the Corporation is partially financed by the interest-bearing loans from the related parties amounting to \$2,293,970 as at March 31, 2015 as compared to \$225,981 as at March 31, 2014. The terms and conditions of the loans are described below under Section 3 – *Loans from Related Parties*.

The promissory note payable 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 payables and the loans made by related parties, the Corporation has also liabilities related to convertible debentures and operating lease obligations for the lease of its office space.

The face value of the convertible debentures issued as part of the consideration paid for the acquisition of Inphosoft on September 28, 2012 is \$10.5m. The convertible debentures are outstanding for a period of three years from the 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.

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 \$36,835 based on a third party appraisal of the debentures. This has been recorded in net loss for the year ended March 31, 2014 with no adjustment to the purchase price allocation on acquisition, with the total value on maturity of \$9,109,267, down \$1,390,733 from the previous value of \$10.5m. Accretion has been recorded at the implied interest rate of 19.44%.

The Corporation has lease agreements outstanding for various terms up to April 30, 2018. Payments are to be incurred in SGD, RMB and IDR. The Canadian dollar equivalent as of March 31, 2015 is a total of \$94,000 to be incurred within one year of the statement of financial position date and \$135,000 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. These related parties have confirmed to the Corporation that they will not recall the loans in the next twelve months as mentioned below under Section 3 – *Loans from Related Parties*. They have also continued to advance funds to the Corporation amounting to \$2,382,000 subsequent to March 31, 2015. They have advised the Corporation they will not recall the advance before March 31, 2016. There has also been a change in the identity of the holder of convertible debentures and a change in the terms of repayment as mentioned in Section 10 of this MD&A.

6. OFF BALANCE SHEET ARRANGEMENTS

GINSMS does not utilize off-balance sheet arrangements.

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7. FOURTH QUARTER

The analysis of the operating results of the Corporation for the quarter ended March 31, 2015 is shown and discussed in Section 3 of this MD&A.

The analysis of the financial position of the Corporation for the quarter ended March 31, 2015 is shown and discussed in Section 5 of this MD&A.

8. 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 and twelve month ended March 31, 2015 and 2014:

	Three-month period ended March 31,		Twelve-month period ended March 31,	
	2015	2014	2015	2014
Consulting fees paid to a company controlled by a director or a shareholder	-	-	-	\$33,000
Consulting fees paid to directors	3,362	2,984	12,340	11,407
Management salaries paid to directors of a subsidiary	60,110	57,165	232,158	220,064
Management salaries paid to officers	32,346	31,368	124,927	157,631
Rent charges by a family member	1,305	2,984	10,283	11,407
Interest charged on loan from an officer	50,182	198	78,962	198
Interest charged on loan from a director of a subsidiary	652	53	2,145	53
Interest charged on loan from other related parties	47,449	972	118,547	972

The Corporation has non-trade loans from related parties of \$2,293,970 (March 31, 2014 - \$225,981). Please refer to Section 3 – *Loans from Related Parties* above for more details of these loans.

Included in accounts payable and accrued liabilities are amounts of \$47,370 (March 31, 2014 - \$25,052) owed to related parties.

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

9. 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, 2014.

10. FINANCIAL INSTRUMENTS

Financial instruments of GINSMS consist of cash, account receivables, accounts payable, accrued liabilities, interest-bearing loans of related parties, a promissory note payable and convertible debentures. 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, interest-bearing loans of related parties and the promissory note payable approximate their values due to the short-term nature of these instruments. The carrying amounts of convertible debentures approximate their values due to their long-term nature. 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.

Change of Holder of Convertible Debenture of the Corporation

On March 31, 2014, Inphosoft Pte. Ltd ("IPL"), the holder of all of the Corporation convertible debentures for a principal amount of \$9,109,267 entered into an Escrow Purchase Agreement for the sale of convertible debentures with a principal amount of \$6,255,484 (the "Convertible Debentures") to One Heart (see below Section 11 – *Transfer of 20% Shareholding of the Corporation to One Heart International Limited*) for an aggregate consideration of \$6,255,484. The transfer of the Convertible Debentures was approved by TSX Venture Exchange ("TSXV") on May 20, 2014 and completed on December 22, 2014.

On January 15, 2015, One Heart granted an option to Xinhua Mobile Limited ("Xinhua Mobile") to purchase 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 will be payable by way of a promissory note. The note will be due and payable 6 months from its issuance and will bear an interest of 18% per annum compounded on a daily basis. The transaction has not yet closed.

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11. SHAREHOLDERS' EQUITY & DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

	March 31, 2015	March 31, 2014
Share capital	1,339,386	1,339,386
Reserves	131,995	429,431
Equity Component of Convertible Debentures	35,776	35,776
Accumulated comprehensive income	23,363	89,628
Deficit	(11,590,406)	(5,114,619)
Non-controlling interest	(3,889)	(1,176)
	(10,063,775)	(3,221,574)

Shareholders' equity as at March 31, 2015 is a negative amount of \$10,063,775 compared to a negative amount of \$3,221,574 as at March 31, 2014. The deterioration in shareholders' equity is due to a large extent to the loss of \$6,775,846 recorded in the twelve months ended March 31, 2015 reflecting the impact on results resulting from the deterioration in the two active business segments of the Corporation. The issue of convertible debentures in lieu of equity in compensation for the acquisition of Inphosoft accentuated the relative weakness of shareholders' compared to the size of the Corporation. Note that the convertible debentures are non-interest bearing and are convertible at \$0.10.

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

Authorized

Unlimited common shares, unlimited preferred shares, non-voting, non-participating, non-cumulative dividends, redeemable and retractable. The table below summarizes the issued and outstanding shares of the Corporation for the twelve months ended March 31, 2015 versus the twelve months ended March 31, 2014.

Issued	March 31, 2015		March 31, 2014	
	Shares	Amount (\$)	Shares	Amount (\$)
Balance, beginning of period	51,537,499	1,339,386	43,537,499	939,386
Share issue costs	-	-	8,000,000	400,000
Balance, end of period	51,537,499	1,339,386	51,537,499	1,339,386

Information on the Corporation's capital, including the numbers of common shares issued outstanding is detailed 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

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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.

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 $\frac{1}{4}$ 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.

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	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

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.

As at March 31, 2015, the weighted average remaining contractual life for the 800,000 options outstanding to directors and officers is 6.3 years (2014: 7.3 years) with all options being fully exercisable. All options were fully vested and no expense was recognised for the years ended March 31, 2015 and 2014.

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

On March 28, 2014, the 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 (collectively, the "Common Shares").

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 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 has obtained approval of both the TSXV and the Corporation's shareholders. The transaction closed on December 22, 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 Limited ("Xinhua Mobile") to sell 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").

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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") Mothers Board (9399).

Xinhua Mobile will pay 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 will be 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 will be 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 will pay 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 will be payable by way of a promissory note. The note will be due and payable six months from its issuance and will bear an interest of 9% per annum compounded on a daily basis.

12. SUBSEQUENT EVENTS

Subsequent to March 31, 2015, the transfer of the Common Shares to Xinhua Mobile was approved by the TSXV on April 13, 2015 and by the shareholders of the Corporation during the Corporation's most recent Annual and Special Meeting of Shareholders held on June 3, 2015. The transaction is in the process of completion.