GINSMS Inc.
Annual Consolidated Financial Statements
Years ended March 31, 2015 and 2014

To the Shareholders of GINSMS Inc.:

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

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

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

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

July 22, 2015

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

/s/ "Man Kon Lai"
Chief Financial Officer

Crowe GHP Horwath

GHP Horwath, P.C.
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of GINSMS Inc.:

We have audited the accompanying consolidated financial statements of GINSMS Inc., and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of March 31, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in equity (deficit), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and for such internal control as management determines is necessary to enable the presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Crowe GHP Horwath

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which indicate that the Corporation has not yet generated operating profits and incurred a net loss of $6,775,846 during the year ended March 31, 2015 and a deficit of $11,590,406 as at that date. Additionally, the Corporation has working capital deficiency of $8,445,513. These conditions along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern.

GHP Horwath, P.C.

Denver, Colorado
United States of America
July 22, 2015

GINSMS Inc.

Consolidated Statements of Financial Position

(In Canadian dollars)

As at,	*2015*	*2014*
Assets		
Current		
Cash	**$515,208**	$115,309
Accounts receivable and other, net (Note 10)	**781,552**	384,481
Prepaid expenses	**109,062**	92,104
	1,405,822	591,894
Non-current		
Property and equipment *(Note 5)*	**70,809**	108,874
Developmental expenditures *(Note 7)*	**606,044**	758,678
Goodwill *(Note 4)*	**-**	2,830,364
Intangible assets - contracts *(Note 6)*	**-**	111,181
Intangible assets - software *(Note 6)*	**-**	550,725
Total assets	**$2,082,675**	$4,951,716
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 11)*	**$1,160,432**	$562,031
Convertible debentures *(Note 9)*	**8,290,903**	-
Promissory note payable *(Note 8)*	**400,000**	400,000
	9,851,335	962,031
Non-current		
Deferred income tax liability *(Note 15)*	**1,145**	127,601
Convertible debentures *(Note 9)*	**-**	6,857,677
Loans from related parties *(Note 12 and 17)*	**2,293,970**	225,981
	$12,146,450	$8,173,290
Shareholders' Equity (Deficiency)		
Share capital *(Note 13)*	**$1,339,386**	$1,339,386
Reserves *(Note 14)*	**131,995**	429,431
Equity component of convertible debentures *(Note 9)*	**35,776**	35,776
Deficit	**(11,590,406)**	(5,114,619)
Accumulated other comprehensive income	**23,363**	89,628
Total equity (deficiency) attributable to equity shareholders of the Corporation	**(10,059,886)**	(3,220,398)
Non-controlling interest	**(3,889)**	(1,176)
Total equity (deficiency)	**(10,063,775)**	(3,221,574)
Total equity (deficiency) and liabilities	**$2,082,675**	$4,951,716

Description of business, continuing operations and going concern *(Note 1)*
Commitments *(Note 16)*
Subsequent events *(Note 20)*

On behalf of the Board

Director	**Director**
/s/ “Joel Siang Hui Chin”	*/s/ “Man Kon Lai”*

The accompanying notes are an integral part of these consolidated financial statements

(In Canadian Dollars)

For the years ended March 31,	*2015*	*2014*
Revenue	**$1,906,467**	$1,130,787
Cost of sales	**1,861,677**	581,770
	44,790	549,017
Expenses		
Salaries and wages *(Note 17)*	**992,356**	1,126,503
Professional fees	**298,943**	370,177
Directors' fees (Note 17)	**30,000**	-
General and administrative	**238,565**	314,603
Fair value adjustment on convertible debenture	**-**	(36,835)
Goodwill impairment (Note 4)	**2,830,364**	-
Intangible assets impairment (Note 6)	**393,375**	-
Writeback of deferred tax liability on intangible assets	**(126,259)**	-
Amortization and depreciation (Notes 5, 6 and 7)	**446,928**	413,615
Foreign currency exchange loss	**83,584**	10,310
Interest expense	**199,661**	277
Finance expense *(Notes 8 and 9)*	**1,433,226**	1,321,854
	6,820,743	3,520,504
Loss before income taxes	**(6,775,953)**	(2,971,487)
Income tax expense (benefit) *(Note 15)*		
Current	**734**	657
Deferred	**(841)**	64
	(107)	721
Net loss for the year	**(6,775,846)**	(2,972,208)
Other comprehensive (loss), net of tax		
Foreign exchange differences arising from translation of foreign currency financial statements during the year	**(66,265)**	121,319
Comprehensive loss	**$(6,842,111)**	$(2,850,889)
Net loss attributable to:		
Non-controlling interest	(2,623)	(1,048)
Equity shareholders	(6,773,223)	(2,971,160)
	$(6,775,846)	(2,972,208)
Total comprehensive loss attributable to:		
Non-controlling interest	(2,713)	(1,060)
Equity shareholders	(6,839,398)	(2,849,829)
	$(6,842,111)	$(2,850,889)
Net loss per share		
Basic	$(0.13)	$(0.06)
Diluted	$(0.13)	$(0.06)
Weighted average number of shares outstanding		
Basic and diluted	51,537,499	51,427,910

The accompanying notes are an integral part of these consolidated financial statements

(In Canadian Dollars)

	Share capital	*Subscriptions received*	*Reserves*	*Equity component of convertible debentures*	*Deficit*	*Accumulated other comprehensive income (loss)*	*Non-controlling interest*	*Total deficit*
Balance March 31, 2013	**$939,386**	**$400,000**	**$429,431**	**$35,776**	**$(2,143,459)**	**$(31,691)**	**$ -**	**$(370,557)**
Net loss for the year	-	-	-	-	**(2,971,160)**	-	**(1,048)**	**(2,972,208)**
Issuance of shares in private placement	**400,000**	**(400,000)**	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	**121,319**	**(128)**	**121,191**
Balance March 31, 2014	**1,339,386**	-	**429,431**	**35,776**	**(5,114,619)**	**89,628**	**(1,176)**	**(3,221,574)**
Net loss for the year	-	-	-	-	**(6,773,223)**	-	**(2,623)**	**(6,775,846)**
Adjustment of fair value of options	-	-	**(297,436)**	-	**297,436**	-	-	-
Other comprehensive loss	-	-	-	-	-	**(66,265)**	**(90)**	**(66,355)**
Balance March 31, 2015	**$1,339,386**	**$ -**	**$131,995**	**$35,776**	**$ (11,590,406)**	**$23,363**	**$(3,889)**	**$(10,063,775)**

See accompanying notes to the consolidated financial statements

(In Canadian Dollars)

For the years ended March 31,	***2015***	*2014*
Operating activities		
Net loss for the year	**$ (6,775,846)**	$(2,972,208)
Deferred income tax (benefit) expense	**(841)**	64
Interest expenses	**199,661**	277
Foreign currency exchange loss	**83,584**	10,310
Suspended projects impairment (in cost of sales)	**144,945**	-
Fair value adjustment of convertible debenture	**-**	(36,835)
Goodwill impairment	**2,830,364**	-
Intangible assets impairment	**393,375**	-
Writeback of deferred tax liability on intangible assets	**(126,259)**	-
Accretion on promissory note payable	**-**	22,481
Accretion on convertible debentures	**1,433,226**	1,299,373
Development costs impairment	**164,456**	-
Depreciation of property and equipment	**48,778**	33,105
Amortization of intangible assets	**268,531**	389,563
Amortization of development expenditures	**172,104**	105,506
Changes in working capital items:		
Accounts receivable and other	**(471,040)**	754,691
Prepaid expenses and deposit	**(8,445)**	9,989
Accounts payable and accrued liabilities	**475,332**	(46,554)
Net cash used in operating activities	**(1,168,075)**	(430,238)
Financing activities		
Cash due on closing	**-**	(400,000)
Loans from related parties	**2,417,973**	225,704
Repayment of loans from related parties	**(732,248)**	-
Net cash from (used in) financing activities	**1,685,725**	(174,296)
Investing activities		
Property and equipment	**(9,060)**	(104,049)
Development costs	**(154,130)**	(168,054)
Net cash used in from investment activities	**(163,190)**	(272,103)
Effect of exchange rate changes on cash	**45,439**	26,029
Increase / (Decrease) in cash	**399,899**	(850,608)
Cash, beginning of year	**115,309**	965,917
Cash, end of year	**$515,208**	$115,309
Income tax paid	**$226**	$607
Interest paid	**$45,522**	$-

The accompanying notes are an integral part of these consolidated financial statements

1. Description of business, continuing operations and going concern

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 operating through its subsidiary Global. The address of the Corporation's registered office is Suite 3000, 700 – 9th Avenue S.W., Calgary, Alberta, T2P 3V4. The Corporation's shares trade on the TSX Venture Exchange ("TSXV").

On September 28, 2012, the Corporation completed an arm's length share purchase agreement with Inphosoft Pte. Ltd. ("Inphosoft"), a private corporation governed by the laws of Singapore, to acquire all of the issued and outstanding shares of Inphosoft's wholly owned subsidiary, Inphosoft Group Pte. Ltd., which wholly owns the subsidiaries of Inphosoft Technology Sdn Bhd, Inphosoft Malaysis Sdn Bhd, Inphosoft Singapore Pte Ltd., and 99% owns PT Inphosoft Indonesia. As of March 31, 2015, the 1% non-controlling interest of PT Inphosoft Indonesia is held by Siang Hui (Joel) Chin, the Chief Executive Officer of the Corporation.

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

The principal activities of the Corporation are the provision of inter-operator short message services ("IOSMS") in Hong Kong, and the design and development of custom software (and related license fees, support and maintenance) primarily related to mobile data applications ("mobile data solutions"). With effect from September 12, 2014, the Corporation discontinued its IOSMS service and began a transition into the cloud-based application-to-peer messaging business ("A2P"). Through the provision of A2P service, the Corporation enables the mobile application developers, short message service ("SMS") gateway, enterprises and financial institution to deliver SMS worldwide without any upfront capital investment through the use of the Corporation's rich application programming interface. Software and related revenues are primarily derived from customers in Singapore, Malaysia and Indonesia. The consolidated financial statements of the Corporation as at and for the years ended March 31, 2015 and 2014 comprise the Corporation and its subsidiaries

The Corporation has a net equity deficiency of $10,063,775 and $3,221,574 as at March 31, 2015 and 2014 respectively and net loss of $6,775,846 and $2,972,208 for the years ended March 31, 2015 and 2014 respectively, as it has faced considerable competition in its existing principal activities, and the profitability of the businesses has been affected. Additionally, the Corporation has working capital deficiency of $8,445,513. Management has instituted plans to address these matters:

a. The liquidity risk is mitigated, as the Corporation is currently in discussions on extending the due date on the promissory note payable of $400,000 and the interest-bearing loans financed by the related parties of $2,293,970. These related parties have confirmed the Corporation that they will not call the loans in the next twelve months from the year ended March 31, 2015.

b. The Corporation intends to use existing gateway operations to open up new innovative campaign services which could be offered to its existing customers in Northeast Asia, potentially achieving synergies with its own lines of products in this part of the world, including the areas where it has a direct presence with locations in Singapore, Indonesia and Malaysia. Management also hopes to establish a footprint in China by leveraging on its proprietary technology in message routing, allowing it to scale up without major investment in technology.

c. The Corporation is consolidating certain general and administrative functions, such as accounting 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.

d. In addition to (a.) above, Mr. Joel Siang Hui Chin, the Chief Executive Officer of the Corporation, and Inphosoft Pte Ltd, a related party, have continued to advance funds to the Corporation of approximately $1,871,000 and $511,000 subsequent to March 31, 2015 respectively. They have advised the Corporation that they will not call the advance before March 31, 2016.

2. Basis of preparation

These consolidated financial statements for the years ended March 31, 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of July 22, 2015, the date the Board of Directors approved these consolidated financial statements.

Amounts are reported in Canadian dollars unless otherwise indicated.

Measurement uncertainty

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

Actual results could differ from these estimates.

The Corporation's management has performed its annual goodwill and intangible assets impairment testing by preparing the forecasted profit or loss account and cashflow of the Inphosoft Group (Note 3(a), 4 and 6) and noted the recoverable amount of the goodwill and intangible assets is determined to be below its carrying value as at March 31, 2015, and accordingly is considered impaired and the remaining amount of goodwill and intangible assets is written off.

The Corporation's management determines the fair value of the convertible debentures that had been adjusted followed the third-party appraisal during the prior year ended March 31, 2014 is still appropriate as at March 31, 2015. The assumptions and estimates that are made in relation to discount rates in the determination of accretion costs of the convertible debentures for the year ended March 31, 2015 remain reasonable.

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

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

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

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

3. Summary of significant accounting policies

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

(a) Principles of consolidation

The consolidated financial statements as at March 31, 2015, and 2014, include the accounts of the Corporation, including its 100% owned subsidiary, Global Edge Technology Limited, its 100% owned subsidiary Redstone Resources Limited, its 100% owned subsidiary GIN International Limited (“GIN”), and its 100% owned subsidiary Guangzhou Tai Eng Information Technology Limited in the People’s Republic of China, together referred to as the “Corporation”.

On September 28, 2012, the Corporation completed an arm’s length share purchase agreement with Inphosoft Pte. Ltd. (“Inphosoft”), a private corporation governed by the laws of Singapore, to acquire all of the issued and outstanding shares of Inphosoft’s wholly owned subsidiary, Inphosoft Group Pte. Ltd (“Inphosoft Group”) which wholly owns the subsidiaries of Inphosoft Technology Sdn Bhd, Inphosoft Malaysia Sdn Bhd, Inphosoft Singapore Pte Ltd., and 99% owns PT Inphosoft Indonesia. The results of Inphosoft have been included with the results of the Corporation since September 28, 2012.

The excess of the consideration transferred over the fair value of the Corporation’s share of the identifiable net assets of Inphosoft Group acquired is recorded as goodwill. Goodwill is not amortized. The Corporation performs an impairment test for goodwill at each financial year end or earlier if indicators of impairment exists (Note 4).

All inter-corporation balances and transactions have been eliminated upon consolidation.

(b) Cash and cash equivalents

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

(c) Revenue recognition

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

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

With respect to contracts for the mobile data solutions, when the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract are recognized as revenue and expenses, respectively, by reference to the stage of completion of the contract activity at the statement of financial position date (the percentage of completion method).

Revenue of a mobile data solution contract is recognized with persuasive evidence of an arrangement exists when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

3. Summary of significant accounting policies *(Continued from previous page)*

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

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

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

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

(d) Compound financial instruments

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

(e) Employee benefits

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

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

The Corporation's employer contributions amounted to $32,393 (2014: $21,504) and $86,390 (2014: $99,463) , and are presented within cost of sales and general and administrative expense, respectively, for the year ended 31 March 2015.

(f) Valuation of equity units issued in private placements

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

3. Summary of significant accounting policies *(Continued from previous page)*

(g) Profit or loss per share

Profit or loss per share is calculated by dividing the net profit or loss for the period attributable to the common shareholders of the Corporation by the weighted average number of common shares outstanding. The diluted weighted average number of common shares outstanding is calculated by taking into account the dilution that would occur if the securities or other agreements for the issuance of common shares were exercised or converted into common shares at the later of the beginning of the period or the issuance date unless it is anti-dilutive. The Corporation has two categories of dilutive potential common shares which are share options and convertible debentures, which were all anti-dilutive as at March 31, 2015 and 2014. There are 800,000 share options which can be converted to 800 common shares at March 31, 2015. According to the Share Purchase Agreement, the potential number of new shares that would be converted from the convertible debentures is 5,153,750 as of March 31, 2015.

(h) Share capital

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

(i) Impairment of non-financial assets

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

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

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

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

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

(j) Capital disclosures

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

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

3. Summary of significant accounting policies *(Continued from previous page)*

(k) Property, plant and equipment

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

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

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

		Residual Value
Leasehold improvements	3-5 years	Nil
Computer equipment and software	3-5 years	Nil
Furniture and fixtures	3-5 years	Nil

Depreciation methods, useful lives and residual values, when applicable, are reviewed and adjusted, if appropriate, on a prospective basis at each reporting date. There is no restriction on title and none of the plant and equipment is pledged as security for liabilities as at March 31, 2015 and 2014.

(l) Share-based compensation

The Corporation has a stock option plan as described in Note 14. Awards of share options to employees and non-employees are accounted for in accordance with the fair value method of accounting for share-based compensation. Awards of share based payments to non-employees are recorded for an amount equivalent to the fair value of the services provided. The fair value of share options is determined using the Black-Scholes option-pricing model. Under the fair value method, the amount to be recognized as expense is determined at the time the options are issued and recognized in earnings over the vesting period of the options with a corresponding increase in reserves. Each tranche in an award is considered a separate grant with its own vesting period and grant date fair value. Consideration paid by directors, officers and key employees and consultants on the exercise of share options is credited to share capital together with the amount previously recognized in reserves. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

(m) Foreign currency translation

Functional and presentation currencies

The functional currency of the Corporation is Canadian Dollar and functional currencies of its subsidiaries are the local currencies in the subsidiaries' jurisdictions. The primary functional currencies of its subsidiaries are the Hong Kong Dollar and the Singapore Dollar. These currencies are freely convertible into foreign currencies. Accordingly, for financial statement purposes, the consolidated financial statements of the Corporation, which are prepared using the functional currencies that have been stated in Note 18(f), have been translated into Canadian Dollars, the presentation currency of the Corporation. Assets and liabilities are translated at exchange rates at the statement of financial position dates, revenue and expenses are translated at the average exchange rates and capital and statutory capital reserve are translated at historical exchange rates.

3. Summary of significant accounting policies *(Continued from previous page)*

(m) Foreign currency translation *(Continued from previous page)*

Any resulting translation adjustments are not included in determining profit or loss but are included in foreign exchange adjustment to other comprehensive income (loss), a component of shareholders' equity.

Transactions in foreign currencies

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

The exchange rates adopted are as follows:

End of year exchange rate	**6.1125**	7.0175
Average exchange rate	**6.8074**	7.3638

Singapore Dollars("SGD")	**March 31, 2015**	**March 31, 2014**
End of year exchange rate	**1.0819**	1.1386
Average exchange rate	**1.1325**	1.1947

(n) Financial instruments

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

The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. The best evidence of fair value at initial recognition is the transaction price (i.e., the fair value of the consideration given or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When there is a difference between the fair value of the consideration given or received at initial recognition and the amount determined using a valuation technique, such difference is recognized immediately in operations unless it qualifies for recognition as some other type of asset or liability. Subsequent measurement of the financial instruments is based on their classification as described below. Financial assets and financial liabilities are classified into one of these five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, other financial liabilities and available-for-sale. The determination of the classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to the initial recognition.

3. Summary of significant accounting policies *(Continued from previous page)*

(n) Financial instruments *(Continued from previous page)*

Financial instruments at fair value through profit or loss

Financial instruments classified at fair value through profit or loss ("FVTPL") are carried at fair value at each reporting date with the change in fair value recorded in the profit or loss The FVTPL classification is applied when a financial instrument:

i. is a derivative, including embedded derivatives accounted for separately from the host contract, but excluding those derivatives designated as effective hedging instruments;
ii. Has been acquired or incurred principally for the purpose of selling or repurchasing in the near future;

Is part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or has been irrevocably designated as such by the Corporation (fair value option).

Held-to-maturity investments, loans and receivables and other financial liabilities

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

As a result, the following classifications were determined:

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

Transaction costs

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

Offsetting of financial assets and financial liabilities

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

Impairment of financial assets

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

3. Summary of significant accounting policies *(Continued from previous page)*

(o) Provisions

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

(p) Income taxes

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

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

(q) Development expenditures and intangible assets

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

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

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

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

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

3. **Summary of significant accounting policies** *(Continued from previous page)*

(r)Recent accounting pronouncements

The following pronouncements and amendments are effective for annual periods beginning on or after April 1, 2014 unless otherwise stated. The following standards were adopted but have had no material impact on the financial statements.

(a) IAS 32 Financial Instruments: (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014;

(b) On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36 requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014 and will be applied prospectively.

(c) The International Financial Reporting Interpretations Committee (“IFRIC”) issued an interpretation on IAS 37, “Provisions, Contingent Liabilities and Contingent Assets” (“IAS 37”), with respect to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

(d) IFRS 2, "Share-based Payment", (IFRS 2) was amended to (i) change the definitions of "vesting condition" and "market condition" and (ii) add definitions for "performance condition" and "service condition" which were previously included in the definition of "vesting condition". They also clarify that any failure to complete a specified service period, even due to the termination of an employee’s employment or a voluntary departure would result in a failure to satisfy a service condition. This would result in the reversal, in the current period, of compensation expense previously recorded reflecting the fact the employee failed to complete a specified service condition. The amendments apply prospectively to share-based payment transactions with a grant date on or after July 1, 2014, with earlier application permitted. The standard did not have a material impact on the Corporation's consolidated financial statements.

(e) IFRS 3, "Business Combinations", (IFRS 3) was amended to clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 — Financial Instruments, or IAS 39 Financial Instruments: Recognition and Measurement, or a non-financial asset or liability. Changes in fair value other than measurement period adjustments should be recognized within the statement of income. Consequential amendments were done to IFRS 9, IAS 39 and IAS 37— Provisions, Contingent Liabilities and Contingent assets. The amendments apply prospectively to business combinations for which the acquisition date is on or after July 1, 2014, with earlier application permitted. The standard did not have a material impact on the Corporation's consolidated financial statements.

(f) IFRS 13 "Fair Value Measurement" (IFRS 13) replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e., an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income.

This IFRS was amended in December, 2013 to provide clarity on the measurement of short-term receivables and payables with no stated interest rate at invoice amounts, without discounting, when the effect of discounting is immaterial. The amendment is effective for periods beginning on or after July 2, 2014. The standard did not have a material impact on the Corporation's consolidated financial statements.

3. Summary of significant accounting policies *(Continued from previous page)*

New standards and interpretations not yet adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates that are either not applicable or are not expected to have a significant impact on the Company's financial statements. The Company has not early adopted these standards and is currently assessing the impact these standards may have on its financial statements

(a) IFRS 9 Financial Instruments: amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primary unchanged from IAS 39, other than the fair value measurement option which now addresses an entity's own credit risk. Additional amendments are expected with respect to de-recognition of financial instruments, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 15 – Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard is effective for annual periods beginning on or after January 1, 2017 with earlier adoption permitted.

(c) IFRS 8 - Operating Segments - Annual Improvements to IFRS 2010— 2012 Cycle modified the disclosure requirements of IFRS 8. An entity is required to disclose the judgments made by management in applying the aggregation criteria to operating segments. Secondly, the improvements clarified that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The improvements are effective for annual periods beginning on or after July 1, 2014. Adoption of the improvements is not expected to have a material effect on the Corporation's consolidated financial statements.

(d) IAS 24, Related Parties (IAS 24) was amended in December 2013. This amendment requires including, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the management entity). Disclosure of the amounts charged to the reporting entity is required. This amendment is effective for periods beginning on or after July 1, 2014. The standard will not a have a material impact on the Corporation's consolidated financial statements.

(s) Reclassifications

Prior period consolidated financial statement amounts have been reclassified to conform to current period presentation.

4. Goodwill

Cost	March 31, 2015	March 31, 2014
Balance, beginning of year	$ 2,830,364	$ 2,830,364
Impairment loss recognized	2,830,364	-
Balance at the end of the year	$ -	$ 2,830,364

Impairment testing

The Corporation performs its annual goodwill impairment testing in the fourth quarter of each year in accordance with its policy as described in note 3 (i). As mentioned in note 3(a), the goodwill represents the excess of the consideration on acquisition of Inphosoft Group. The consideration, or purchase price, was computed based on forecasted revenue and profit before income tax of Inphosoft Group for the years from 2013 to 2016. However, revenue and profit before income tax of Inphosoft Group for March 31, 2014 and 2015 have not met the forecast. In the recent 2015 forecast of the Corporation prepared by management, Inphosoft Group is now expected to continue to incur net losses through the year ending 2019. Inphosoft Group is forecasted to continue to be in net cash deficit through 2020 which is expected to require funding by GIN and loans from related parties. The intangible assets (Note 6) is part of the acquired assets of Inphosoft Group by the Corporation and is also subjected to impairment testing. The recoverable amount of the goodwill and intangible assets are determined to be below its carrying value at March 31, 2015, and accordingly, the goodwill and intangible assets are considered fully impaired.

5. Property and equipment

March 31, 2015 **Cost**		**Computer equipment and software**
Balance, beginning of year	**$**	**154,149**
Exchange differences		**9,897**
Additions		**9,060**
Balance at March 31, 2015	**$**	**173,106**

Accumulated depreciation		**Computer equipment and software**
Balance, beginning of year	**$**	**45,275**
Exchange differences		**8,244**
Depreciation for the year		**48,778**
Balance March 31, 2015		**102,297**
Net book value at March 31, 2015	**$**	**70,809**

March 31, 2014 Cost		Computer equipment and software
Balance, beginning of year	$	581,040
Exchange differences		33,695
Additions		104,748
Write-off		(565,334)
Balance at March 31, 2014	$	154,149

Accumulated depreciation		Computer equipment and software
Balance, beginning of year	$	548,154
Exchange differences		28,650
Depreciation for the year		33,169
Write-off		(564,698)
Balance March 31, 2014		45,275
Net book value at March 31, 2014	$	108,874

6. Intangible assets

March 31, 2015

Cost		**Contracts**		**Software**		**Total**
Balance, beginning of year	**$**	**444,717**	**$**	**786,750**	**$**	**1,231,467**
Additions		**-**		**-**		**-**
Impairment (Note 4)		**(444,717)**		**(786,750)**		**(1,231,467)**
Balance at March 31, 2015	**$**	**-**		**-**		**-**

Accumulated amortization		**Contracts**		**Software**		**Total**
Balance, beginning of year	**$**	**333,536**	**$**	**236,025**	**$**	**569,561**
Amortization for the year		**111,181**		**157,350**		**268,531**
Impairment (Note 4)		**(444,717)**		**(393,375)**		**(838,092)**
Balance March 31, 2015		**-**		**-**		**-**
Net book value at March 31, 2015	**$**	**-**	**$**	**-**	**$**	**-**

March 31, 2014

		Contracts		Software		Total
Balance, beginning of year	$	444,717	$	786,750	$	1,231,467
Additions		-		-		-
Balance at March 31, 2014	$	444,717	$	786,750	$	1,231,467

Accumulated amortization		Contracts		Software		Total
Balance, beginning of year	$	100,000	$	80,000	$	180,000
Amortization for the year		233,536		156,025		389,561
Balance March 31, 2014		333,536		236,025		569,561
Net book value at March 31, 2014	$	111,181	$	550,725	$	661,906

7. Development expenditures

		Cost	Accumulated Depreciation	Total
Balance, March 31, 2013	$	662,313 $	(22,972)	639,341
Additions		168,054	-	168,054
Amortization		-	(91,627)	(91,627)
Impairment		(13,885)	6	(13,879)
Translation difference		72,586	(15,797)	56,789
Balance at March 31, 2014	$	889,068 $	(130,390) $	758,678
Additions		154,130	-	154,130
Amortization		-	(172,104)	(172,104)
Impairment		(258,680)	94,224	(164,456)
Translation difference		45,131	(15,335)	29,796
Balance at March 31, 2015	$	829,649 $	(223,605) $	606,044

Research costs recognized as expense for the years ended March 31, 2015 and March 31, 2014, are $62,666 and $39,758 respectively.

8. Promissory note payable

		Total
Balance, March 31, 2013	$	377,519
Accretion for the year		22,481
Balance at March 31, 2014	$	400,000
Accretion for the year		-
Balance at March 31, 2015	$	400,000

For part of the acquisition of Inphosoft Group on September 28, 2012 (Note 3(a)), the Corporation issued a $400,000 non-interest bearing promissory note payable, due on the first year anniversary date of the closing date. The note had an initial present value of $366,523 with accretion recorded at an annual interest rate of 6%. The Corporation is currently in discussions with the note holder on extending the due date on the note payable, and the note holder has advised the Corporation that it will not call the note in the next twelve months.

9. Convertible debentures

		Total
Balance, March 31, 2013	**$**	**5,595,139**
Fair value adjustment		**(36,835)**
Accretion for the year		**1,299,373**
Balance at March 31, 2014	**$**	**6,857,677**
Accretion for the year		**1,433,226**
Balance at March 31, 2015	**$**	**8,290,903**

The face value of the convertible debentures issued as part of the transaction on September 28, 2012 is $10.5m. The convertible debentures have a due date three years from date of closing (September 28, 2015) and are non-interest bearing, convertible at any time into common shares at $0.10 per share. The value assigned to the conversion option for the convertible debentures is $35,776.

Accretion has been recorded at the implied interest rate of 19.44%.

On March 31, 2014, Inphosoft Pte. Ltd ("IPL"), the holder of 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 (Note 13a) for aggregate consideration of $6,255,484. The transfer of the Convertible Debentures was approved by TSX Venture Exchange ("TSXV") and was 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 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 closed.

10. Accounts receivable and other (net)

	2015	2014
Accounts receivable	**684,293**	100,238
Amounts due from customers on contracts	**97,259**	284,243
Total	**781,552**	384,481

11. Accounts payable and accrued liabilities

	2015	2014
Accounts payable	**546,895**	94,339
Amounts due to customers on contracts	**54,685**	54,773
Deferred income	**130,206**	140,263
Accrued liabilities	**428,646**	272,656
Total	**1,160,432**	562,031

Accrued liabilities consist mainly of accrued rental, professional fees and general administration expenses incurred by the employees.

12. Loans from related parties

	2015	2014
Loan from an officer	**1,791,869**	33,421
Loan from a director of a subsidiary	**11,546**	8,838
Loan from a related party (A)	**490,555**	-
Loan from a related party (B)	**-**	183,722
Total	**2,293,970**	225,981

The non-trade loans from related parties amounting to $2,293,970 are unsecured and bear interest at rates of 12% to 24% per annum (compounded daily based on a 365-day year). The loans aggregating $225,981 at March 31, 2014 were unsecured and bear interest at 12% per annum (compounded daily based on a 365-day year) (Note 17).

At March 31, 2015, the loan (A) of $490,555 is from Inphosoft Pte Ltd, the former holding company of Inphosoft Group Pte Ltd.

At March 31, 2014, the loan (B) of $183,722 was from Mr Lian Yih Hann, the Chief Executive Officer of Xinhua Holdings Limited (Note 13). This loan was settled with the additional loans from the Chief Executive Officer of the Corporation during the financial year ended March 31, 2015.

The Chief Executive Officer of the Corporation and Inphosoft Pte Ltd have advised 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.

13. Share Capital

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

Issued:	Common Shares	2015 Amount	Common Shares	2014 Amount
Balance, beginning of year	**51,537,499**	**$ 1,339,386**	43,537,499	$ 939,386
Issued on private placement	-	-	8,000,000	400,000
Balance, end of year	**51,537,499**	**1,339,386**	51,537,499	$ 1,339,386

On April 5, 2013, the Corporation closed a private placement by issuing 8,000,000 common shares at a price of $0.05 per share for total gross proceeds of $400,000..

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

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, 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 (Note 12) , 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 is due and payable three months from its issuance and bears an interest of 18% per annum. The transfer of the Common Shares to One Heart was approved by the TSX Venture Exchange ("TSXV") and shareholders. The transaction was completed on December 22, 2014.

b) 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 have 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").

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 business in China and other Asian countries, including Japan. Xinhua Holdings' securities are listed on the Tokyo Stock Exchange's ("TSE") Mothers Board (9399).

Xinhua Mobile is to 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 is to be payable by way of two promissory notes and all of the equity interest in a PRC subsidiary of 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

13. Share Capital (Continued from previous page)

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. The transfer of the Common Shares to Xinhua Mobile obtained approval of the TSX Venture Exchange ("TSXV") on April 13, 2015 and the shareholders on June 3, 2015. The transaction is in the process of completion.

14. Reserves

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

Options granted to Consultants performing investor relations activities contain vesting provisions such that vesting occurs over at least twelve months with no more than 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 option holder ceases to be a director, officer, or technical consultant of the Corporation for any reason other than death, the option holder may exercise options at the date of the cessation of the optionee's position or arrangement with the Corporation, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

		Exercise Price	Number of options		Reserve Balance
Balance, March 31, 2013			**1,375,000**	**$**	**429,431**
Cancellation of options during fiscal year 2014	**$**	**0.10**	**575,000**	**$**	**-**
Balance, March 31, 2014			**800,000**	**$**	**429,431**
Fair value adjustment of options			**-**		**(297,436)**
Balance, March 31, 2015			**800,000**		**131,995**

For the years ended March 31, 2015 and 2014, all outstanding options to purchase common shares that were outstanding during the respective periods were not included in the calculations of the weighted average number of shares outstanding as they were anti-dilutive.

As of 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 as of March 31, 2015, and no expense was recognized for the years ended March 31, 2015 and 2014.

15. Income taxes

a) Provision for income taxes

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

		2015
Loss before income taxes	**$**	**(6,775,953)**
Income tax rate		**25%**
Computed income tax benefit		**(1,694,000)**
Effects of tax rate in different countries		**89,000**
Increase (decrease) resulting from:		
Non-taxable income		**(34,000)**
Non-deductible expenses		**1,402,000**
Tax credits		**(175,000)**
Other		**(107)**
Change in unrecognized temporary differences		**412,000**
Income tax benefit	**$**	**(107)**

		2014
Loss before income taxes	$	(2,971,487)
Income tax rate		25%
Computed income tax benefit		(743,000)
Effects of tax rate in different countries		59,000
Increase (decrease) resulting from:		
Non-deductible expenses		373,000
Non-taxable income		(10,000)
Other		(136,000)
Impact of change in effective tax rate		721
Change in unrecognized temporary differences		457,000
Income tax expense	$	721

15. Income taxes *(Continued from previous page)*

b) Deferred income tax assets and liabilities

The Corporation has deferred tax losses which are being carried forward and which may be utilized to reduce future taxable income. Deferred taxes are also provided as a result of temporary differences between the income tax values and the carrying amount of assets and liabilities. The components of the net deferred income tax assets (liabilities) were as follows:

		2015
Long-term deferred tax assets:		
Non-capital loss carried forward	$	**1,310,000**
Capital allowance		**13,000**
Timing difference of depreciation and amortization		**66,000**
Issue costs		**(2,000)**
Less: Unrecognized temporary differences		**(1,387,000)**
	$	**-**
Long-term deferred tax liability:		
Property and equipment and intangible assets	**$**	**1,145**

		2014
Long-term deferred tax assets:		
Non-capital loss carried forward	$	1,003,000
Capital allowance		82,000
Timing difference of depreciation and amortization		98,000
Issue costs		(44,000)
Less: Unrecognized temporary differences		(1,139,000)
	$	-
Long-term deferred tax liability:		
Property and equipment and intangible assets	$	127,601

As of March 31, 2015, the Corporation had income tax losses of $2,054,000, which arose from the Canadian jurisdiction and which will expire as follows; $271,000 in 2030, $329,000 in 2031, $338,000 in 2032, $527,000 in 2033, and $395,000 in 2034 and $194,000 in 2035. The Corporation also had income tax losses of $4,231,000 and unutilized capital allowance of $336,000 which arose from its subsidiaries' jurisdictions. The income tax benefits of these losses have not been recognized on the consolidated financial statements.

16. Commitments

The Corporation has lease agreements outstanding for various terms up to April 30, 2018. Payments are to be incurred in SGD, RMB and Indonesian Rupiah ("IDR"), the CDN equivalent as of March 31, 2015 is a total of CDN $229,000, of which CDN $94,000 is to be incurred within one year of the statement of financial position date and CDN $135,000 after one year and within five years.

17. Related party transactions

The Corporation had the following related party transactions for the years ended March 31, 2015 and 2014:

	2015	2014
Consulting fees paid to a company controlled by a director or a shareholder	**$ -**	$33,000
Consulting fees paid to directors	**12,340**	11,407
Management salaries paid to directors of a subsidiary	**232,158**	220,064
Management salaries paid to an officer	**124,927**	157,631
Rent charged by a family member of a director	**10,283**	11,407
Interest charged on loan from an officer	**78,962**	198
Interest charged on loan from a director of a subsidiary	**2,145**	53
Interest charged on loan from a related parties	**118,547**	972

The non-trade loans from the related parties amounting to $2,293,970 (2014 - $225,981), is disclosed in Note 12.

Included in accounts payables and accrued liabilities is an amount of $47,370 (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.

	2015	2014
	CAD	CAD
Salaries and wages (Included cost of sales)		
Key management personnel (other than directors)		
- salaries and related costs	**331,655**	352,402
- contributions to defined mandatory contribution funds	**25,431**	25,293
Other than directors and key management personnel		
- salaries and related costs	**810,797**	825,209
- contributions to defined mandatory contribution funds	**93,352**	95,674
- staff welfare	**45,347**	56,994
	1,306,582	1,355,572
Directors' fees	**30,000**	-

18. 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 as March 31, 2015 and 2014.

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 during the years ended March 31, 2015 and 2014.

18. Financial risk management *(Continued from previous page)*

The following table summarizes the accounts receivable overdue:

	Total	Due in 30 days	30 to 90 days overdue	Over 90 days overdue
March 31, 2015	$ 781,552	$ 715,180	$ 31,298	$ 35,074
March 31, 2014	384,481	349,999	13,525	20,957

As at March 31, 2015, approximately 95% of significant individual accounts receivable was owed from four customers (2014 – 92% 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 $17,249 as of March 31, 2015 (2014 - $47,065) which are due between three and twelve months of the consolidated statement of financial position as March 31, 2015.

The Corporation has working capital deficiency of $8,445,513 as at March 31, 2015. The liquidity risk is mitigated as the Corporation is currently in discussions on extending the due date on the promissory note payable of $400,000 and the interest-bearing loans financed by the related parties of $2,293,970. These related parties have confirmed to the Corporation that they will not call the loans in the next twelve months from the year ended March 31, 2015.

d) Fair values

At March 31, 2015 and 2014, the fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values given the expected short-term to maturity of these instruments.

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

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. At March 31, 2015 and 2014, 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.

18. Financial risk management *(Continued from previous page)*

	2015			2014		
	Carrying value		**Fair Value**	Carrying value		Fair Value
	FVTPL	**L&R**	**Total**	FVTPL	L&R	Total
Financial assets						
Cash	**$ 515,208**	**$ -**	**$ 515,208**	$115,309	$ -	$ 115,309
Accounts receivables and other, net	**-**	**781,552**	**781,552**	-	384,481	384,481
	$ 515,208	**$ 781,552**	**$ 1,296,760**	$ -	$ 384,481	$ 499,790

	2015			2014		
	Carrying value		**Fair Value**	Carrying value		Fair Value
	FVTPL	**Other liabilities**	**Total**	FVTPL	Other liabilities	Total
Financial liabilities						
Accounts payable and accrued liabilities	**$ -**	**$ 1,160,432**	**$ 1,160,432**	$ -	$ 562,031	$ 562,031
Loans from related parties	**-**	**2,293,970**	**2,293,970**	-	225,981	225,981
Promissory note payable	**-**	**400,000**	**400,000**	-	400,000	400,000
Convertible debentures	**-**	**8,290,903**	**8,290,903**	-	6,857,677	6,857,677
	$ -	**$ 12,145,305**	**$ 12,145,305**	$ -	$ 8,045,689	$ 8,045,689

e) Capital management

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

The Corporation manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analyses. The capital is generally used for defraying the administrative expenses in promoting the objectives of the Corporation. The Corporation is not subject to either internally or externally imposed capital requirements. There have been no changes in the Corporation's capital management policies for the year ended March 31, 2015.

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 SGD. 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.

18. Financial risk management *(Continued from previous page)*

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

2015		**Canadian Dollars**	**Singapore Dollars**	**Hong Kong Dollars**	**CDN Equivalent**
Cash	**$**	**346 $**	**52,094 $**	**2,852,768 $**	**515,208**
Accounts receivable and other		**5,028**	**352,273**	**3,422,868**	**890,615**
Accounts payable and accrued liabilities		**(152,561)**	**(427,325)**	**(3,743,292)**	**(1,160,432)**
Loan from related parties		**-**	**(1,083,140)**	**(7,902,339)**	**(2,293,970)**

2014		Canadian Dollars	Singapore Dollars	Hong Kong Dollars	CDN Equivalent
Cash	$	5,427 $	32,854 $	568,602 $	115,309
Accounts receivable and other		16,560	479,420	273,339	476,585
Accounts payable and accrued liabilities		(108,167)	(405,544)	(721,521)	(562,031)
Loan from related parties		-	(42,259)	(1,289,285)	(225,981)

19. Segmented information

a) Revenue by customers

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 year ended March 31, 2015 as indicated in the following table.

	2015 $	**2015 % of total revenue**	**2014 $**	**2014 % of total revenue**
Customer A	**571,354**	**30.0**	-	-
Next five top customers				
Customer B	**551,458**	**28.9**	762,296	67.4
Customer C	**119,802**	**6.3**	-	-
Customer D	**111,388**	**5.8**	-	-
Customer E	**96,944**	**5.1**	-	-
Customer F	**80,694**	**4.2**	-	-
All other customers	**374,827**	**19.7**	368,491	32.6
	1,906,467	**100.0**	1,130,787	100.0

19. Segmented information *(Continued from previous page)*

b) Revenue by geographical location

	2015	2015	2014	2014
	$	% of total revenue	$	% of total revenue
Asia	**1,150,863**	**60.4**	514,730	45.5
Europe	**554,244**	**29.1**	616,057	54.5
North America	**120,517**	**6.3**	-	-
Other regions	**80,843**	**4.2**	-	-
	1,906,467	**100.0**	1,130,787	100.0

c) Total assets by geographical location

	2015	2015	2014	2014
	$	% of total revenue	$	% of total revenue
Canada	**5,482**	**0.3**	3,514,484	71.0
Hong Kong / China	**1,322,085**	**63.5**	120,889	2.4
Singapore	**561,245**	**26.9**	1,119,070	22.6
Malaysia	**36,831**	**1.8**	48,853	1.0
Indonesia	**157,032**	**7.5**	148,420	3.0
	2,082,675	**100.0**	4,951,716	100.0

19. Segmented information *(Continued from previous page)*

d) Financial information by business segments

Year ended March 31, 2015	**Investment**	**SMS**	**Mobile**	**Total**
Revenues	**-**	**1,152,433**	**754,034**	**1,906,467**
Amortization and depreciation	**119**	**1,247**	**219,516**	**220,882**
Provision for income taxes	**-**	**-**	**(107)**	**(107)**
Net (loss)	**$ (5,036,536)**	**$ (185,325)**	**$ (1,553,985)**	**$ (6,775,846)**
Segment assets, total	**$ 5,482**	**$ 1,322,085**	**$ 755,108**	**$ 2,082,675**
Segment liabilities, total	**(8,843,954)**	**(1,610,523)**	**(1,691,973)**	**(12,146,450)**
Total expenditures for property and equipment	**$ -**	**$ -**	**$ 163,190**	**$ 163,190**

Year ended March 31, 2014	Investment	SMS	Mobile	Total
Revenues	-	129,359	1,001,428	1,130,787
Amortization and depreciation	119	4,371	120,307	124,797
Provision for income taxes	-	-	721	721
Net (loss)	$ (1,911,528)	$ (300,342)	$ (760,338)	$ (2,972,208)
Segment assets, total	$ 3,514,484	$ 120,889	$ 1,316,343	$ 4,951,716
Segment liabilities, total	(7,492,104)	(287,536)	(393,650)	(8,173,290)
Total expenditures for property and equipment	$ -	$ -	$ 272,802	$ 272,802

20. 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 (Note 13).

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