GINSMS INC.

ANNUAL REPORT 2010

CORPORATE STRUCTURE

GINSMS Inc. is the parent company of GIN International Ltd. ("GIN"), through its wholly-owned subsidiary, Global Edge Technology Ltd. ("GET"). GIN is a technology services company focused on providing inter-operator short messaging services ("IOSMS") to mobile telecom operators in Hong Kong. GIN was founded in 2002 and received a public non-exclusive telecommunications service license ("PNETS") from the Office of the Telecommunications Authority of Hong Kong ("OFTA"), the governing body for the telecommunications sector in Hong Kong so that it can provide IOSMS in Hong Kong.

The following shows the corporate structure of the Group:

CORPORATE STRUCTURE

OUR BUSINESS

GINSMS Inc., is a technology services company focused on providing inter-operator short messaging services ("IOSMS") to mobile telecom operators in Hong Kong. GINSMS is also the parent company of GIN International Ltd. (Hong Kong), which was founded in 2002 and received a public non-exclusive telecommunications service license ("PNETS") from the Office of the Telecommunications Authority ("OFTA"), the governing body for the telecommunications sector in Hong Kong, so that it can provide IOSMS 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.

The Corporate Group's core business is to provide IOSMS services to mobile operators, a fixed line operator and virtual mobile operators in Hong Kong.

GIN's customers are all corporate clients in the telecommunications sector with its major clients being mobile network operators ("MNO"). The company charges mobile telecom operators on a usage basis for inter-operator transmission of SMS within Hong Kong.

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THREE-YEAR HISTORY

GINSMS Inc. was incorporated by articles of incorporation on March 20, 2009 under the CBCA. On June 9, 2009, it acquired all of the issued and outstanding securities of GET, consisting of 833,334 Common Shares, from the Vendors in consideration for the issuance of 31,766,566 Common Shares at a deemed price of $0.15 per Common Share, for an aggregate deemed value of $4,764,985. Pursuant to the Share Purchase Agreement, all assets and liabilities of GET were retained by the Corporation effective April 1, 2009.

Pursuant to the Acquisition, the Corporation acquired three (3) direct and indirect subsidiaries - GET, Redstone and GIN. Both GET and Redstone were incorporated on September 18, 2002 under the British Virgin Island Business Companies Act and have an office at 14/F Hang Lung House, 184-192 Queen's Road Central, Hong Kong. All of the issued and outstanding securities of GET are held by the Corporation, and all of the issued and outstanding securities of Redstone are held by GET. GIN was incorporated on October 23, 2002 under the Hong Kong Companies Ordinance. All of the issued and outstanding securities of GIN are held by Redstone.

On August 23, 2008, the Company acquired a new IOSMS system for USD $315,000. The introduction of the new IOSMS system resulted in a ten-fold increase in capacity. In addition to offering greater scale (at least supporting 350 messages per second from the previous 30 messages per second), improved monitoring and upgraded report analysis for existing customers, the new system offers the capability to expand in China and take advantage of the huge potential this market provides over the next several years.

On March 10, 2009, the Company began using the new IOSMS system in parallel with the old IOSMS system. By March 31, 2009, all SMS traffic was routed through the new IOSMS system.

Fiscal 2010 Corporate Highlights

- The Company closes its initial public offering of units of the Company for $1,700,625. The common shares of GINSMS began trading on the TSX Venture Exchange under the symbol GOK on December 18, 2009.

- In late 2008, GINSMS carried out a series of system upgrades to improve business efficiency and system capability. The new system became fully operational in the first quarter of fiscal 2010 and is capable of handling 10 times as much traffic as compared to the previous IOSMS system.

- Company signed two year contracts with the five major MNOs in Hong Kong: Hutchison Telecommunications (Hong Kong) Limited, China Mobile Peoples Telephone Company Limited, PCCW Mobile HK Limited, CSL Limited and SmarTone Mobile Communications Limited.

- Company signed new contracts with two MVNOs in Hong Kong: China Unicom International Limited and China Motion Telecom Limited, and one fixed line operator, PCCW-HKT Telephone Limited.

Fiscal 2010 Financial Highlights

- At $147,175, net income for the year ended March 31, 2010 is up $383,320 when compared to the net loss of ($236,145) a year ago. Without the forgiveness of debt charged to earnings in the fourth quarter of fiscal 2009, net income for the year ended March 31, 2010 would have dropped by $103,119 or 41.2%.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) for the year totaled $219,352, down 31.1% from the $318,249 reported in fiscal 2009.
- Total assets as at March 31, 2010 were up by more than $620,000 to $1,652,884 versus $1,032,660 as at March 31, 2009.
- Gross dollar profit: gross profit for the year ended March 31, 2010 on par with last year at $517,050 versus $534,560 for the year ended March 31, 2009.

REVENUE

Years Ended March 31, 2009 & 2010

	GINSMS 2010	GET (1) 2009
Total Revenue $	853,639	928,221
– Gross Margin $	517,050	534,560
– Gross Margin %	60.6%	57.6%
EBITDA (2) $	219,352	318,249
– EBITDA Margin %	25.7%	34.2%
Net Earnings $	147,175	(236,145)
– Net Earnings %	17.2%	(25.4%)

1. The shares of GET were acquired by the Corporation in June 2009. Before June 2009, GET was the parent company of GIN, the operating subsidiary of the Corporation.

2. EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortization. This metric should not be considered in isolation or as a substitute for net earnings which is also reported herein but is made relevant by the fact that there is a substantial difference in the capital structure of the Corporation from one period to another, distorting the comparability of net earnings.

ASSETS

Years Ended March 31, 2009 & 2010

	2010	2009
	$	$
Cash	444,271	56,419
Accounts receivable	317,196	385,198
Prepaid expenses	108,739	3,867
Fixed Assets		
Property & equipment	323,548	399,620
Deferred costs	–	187,556
Other assets	464,130*	–
Total Assets	**1,652,884**	**1,032,660**
Shareholders' Equity	**1,296,531**	**435,090**

* On December 29, 2009, the Corporation entered into a contract agreement which entailed the acquisition of physical and software assets which consist of an email and a SMS platform coupled with a service agreement which provides for the maintenance of the system for peak performance at all times. In connection with the agreement, on the acquisition date, a refundable payment of HK$ 3,500,000, was made and is included in deposits in the amount of $457,744 CDN on the balance sheet as at March 31, 2010. The delivery of the assets in connection with the agreement has not occurred to date; as a result, the payment has been treated as a deposit on account.

Message to Shareholders

We are pleased to present to shareholders the first Annual Report of GINSMS Inc. as a publicly traded company.

After raising some $1.7 million in share capital last December through an initial public offering, the Corporation is determined to capture a growing share of the Hong Kong market and penetrate the China market for inbound traffic into the country. With the formation of a Wholly-Owned Foreign Enterprise in China this past month, the Corporation has positioned itself to benefit from the advantages and the flexibility such a vehicle offers to expand into the China market either directly or through partners or yet through acquisitions.

We are also dedicated in our efforts to become a significant player as an IOSMS company in key regions of Asia (mainly Hong Kong and China), through our hub centre located in Hong Kong. In late 2008, GIN International Ltd. (which is indirectly owned 100% by GINSMS Inc.) carried out a series of system upgrades to improve business efficiency and system capability. The new system became fully operational in the first quarter of fiscal 2010 and is capable of handling 10 times as much traffic as compared to the previous IOSMS system. This new system sets the stage to expand our business, increase traffic going through our network and most importantly grow the revenue base for a better performance in fiscal 2011.

Fiscal 2010 in Review

On December 16, 2009, we were pleased to announce that we had closed our initial public offering of units of GINSMS Inc. for gross proceed of $1,700,625. Subsequently, we began trading on the TSX Venture Exchange under the symbol GOK on December 18, 2009. At the Closing, GINSMS issued 11,337,500 Units. Each Unit was priced at $0.15 and consisted of one Common Share and one-half of one common share purchase warrant. Each complete Warrant gives its holder the right to purchase one Common Share at a price of $0.20 at any time until December 16, 2011.

A portion of the net proceeds from the IPO have already been used to meet the Company's stated business objective to become a leading short messaging service ("SMS") and data hubbing service provider to mobile network operators in Hong Kong and China and to establish an international SMS and value added services business.

Looking briefly at our financial performance for fiscal 2010, revenue for the year ended March 31, 2010 at $853,639, was down approximately 8.0% over the prior year. This was due mainly to the drop in intra-SMS traffic throughout the year. However, we are happy to note that gross margin for the year was on par with last year at $517,050 versus $534,560 in fiscal 2009. However, EBITDA for the year ended March 31, 2010 at $219,352 is down 19.3% from the $318,249 reported at the same period last year. The drop in revenue and the increase in expenses are the main reasons for the decrease in EBITDA in fiscal 2010.

The decline in revenue in fiscal 2010 is an extension of the pause in traffic which manifested while the competition continued to benefit from GINSMS change-over to the new IOSMS in the first quarter. In addition, and perhaps more importantly, two of our major customers made some system routing changes during the year, which negatively affected volume of SMS going through our system. It also took longer than expected for us to modify our new system to handle the changes extending this unusual wedging situation till the end of the fiscal year. However, the situation has been stable since April 2010 and GINSMS has begun to regain a portion of the traffic that was lost.

The Corporation recorded net earnings of $147,175 in fiscal 2010, compared to a net loss of ($236,145) in fiscal 2009, a $383,320 improvement. Comparability, however, has been substantially distorted by the result of a forgiveness of debt of $494,349 related to an advance due from a related company in fiscal 2009. It is relevant to note, however, that earnings of $147,175 for the year ended March 31, 2010 were achieved despite substantially higher depreciation charges and a substantial increase in administrative expenses as the Corporation turned public.

Total assets, including cash, accounts receivable, prepaid expenses, property and equipment and other assets (deposit), at the end of fiscal 2010 totalled $1,652,884; compared to assets of $1,032,660 as at the end of fiscal 2009, and are down slightly, by 6.7%, from the $1,772,515 at the end of December 2009.

Shareholders' equity is also up significantly over fiscal 2009 to $1,296,531 from the $435,090 reported at the end of March 2009. The reasons for the increase include the completion of the IPO in December 2009, the sharp rise in share capital ($929,386 versus $435,090), and the number of warrants now outstanding ($385,702 as opposed to nil in fiscal 2009).

While we feel we are making progress on our balance sheet, the inordinately low level of traffic during the first and fourth quarters of fiscal 2010 caused total traffic for the year to decline by 8.3% to 128.3 million short messages, as compared to 139.9 short messages during the previous year. This decline in traffic was the primary reason that revenues decreased by 7.2% or $75,241 for the year ended March 31, 2010 compared to the year ended March 31, 2009.

Man Kon (Jonathan) Lai, Chairman (left) and Kwok Kin Seun, CEO.

Marketing Strategies and Future Objectives

As we have stated, it is our intention to establish GINSMS as a leading SMS and data hubbing service provider to network operators in Hong Kong and China. In order to achieve this, management has identified three main areas of expansion and further development. The first plan is to strengthen the current IOSMS business in Hong Kong. Our primary objective is to significantly increase our current market share by the end of fiscal 2011.

The second plan is to establish and continue to expand the international SMS and data hubbing business in China by the end of calendar year 2010. To move this initiative into the next stage, we announced in July of this year the establishment of a Wholly Owned Foreign Enterprise ("WOFE") in China. A WOFE is a business entity formed in China with foreign capital and is 100% owned by a foreign company.

The newly formed WOFE, has been set up as a limited liability company, and is wholly-owned by GIN International Ltd. in Hong Kong. By establishing this new WOFE, GINSMS will retain complete control and direction of the business venture in China, thereby avoiding potential problematic issues that can arise when dealing with a domestic joint venture partner. Furthermore, formation of the WOFE will now allow us to seek out new opportunities for growth in China either organically through direct marketing initiatives with larger operators for SMS business, or through merger with, and/or acquisition of existing businesses in China.

In addition, the WOFE will assist us in making good on our plans to develop valued-added services ("VAS") which, for the most part, were intended for the China market.

VAS refers to mobile services which can be used by end users when companies and organizations want to promote their products and services using the features of mobile phones. VAS such as banking and financial services can use SMS to enable personalized and instant delivery of services and information. VAS requires high quality SMS gateway to perform and GINSMS believes that its hub technology offers the best alternative for efficient and low-cost delivery of SMS as it allows businesses and organizations to reach mobile telephone users via its current SMS platform without having to build a new web-based gateway. Management is hopeful that this new business segment will grow quickly and provide significant revenue to the Corporation.

The scope of VAS to be provided by GINSMS includes mainly bulk SMS services, web to SMS gateway, and SMS payment gateway services:

- Bulk SMS services to be provided by GINSMS will allow companies and service providers to easily send SMS to large volume multiple recipients in low costs. GINSMS' bulk SMS services are ideal for sending routine communication such as monthly statements and promotional messages directly to the mobile phone of the companies and service providers' customers.
- Web to SMS gateway offers companies and service providers a hosted messaging platform to SMS-enable any application, website or system. GINSMS can provide immediate capability for companies and service providers to deliver and receive messages to and from any business application such as sending order confirmation, tracking goods in transit or project status report etc.

- SMS payment gateway service is a mechanism enabling companies and service providers to create, amend and report interactive payment transactions between their customers and well-known payment systems. GINSMS provides turnkey solution or consultation to companies and service providers offering mobile phone payment alternatives to their customers.

In addition to its current head office in Hong Kong, GINSMS also plans to setup a branch office in either Beijing or Guangzhou to further develop its SMS business in China. GINSMS expects to launch its service for China in-bound traffic by the end of fiscal 2011.

GIN's marketing efforts are structured around its management team and the cohesiveness of its efforts in providing a distinguished brand of service, which is predicated upon an intimate knowledge of the industry and customers. GIN's management meets with its customers regularly to improve communication and to better understand customers' needs. All marketing programs and methodologies are designed to provide support to business development efforts with respect to increasing market share of GIN's core SMS hubbing service among existing customers in Hong Kong. Concurrently, VAS are being developed to meet the demand of low-price, yet high-margin high-quality products in a variety of sectors with a focus on banking, retail merchandizing, information and web-based services.

GIN is currently in discussion with several groups in the corporate sector to enable their information management with SMS features.

GINSMS' marketing strategy for the coming years includes the constructing of a web-based gateway for SMS-enabling applications using GIN's platform or through agreements with mobile operators in Hong Kong and other countries which will allow it to (i) seamlessly bundle messages for the secure sending of high-volume messages; (ii) offer the ability to efficiently manage the hosting of a managed platform for businesses such as airlines, banks and financial institutions; (iii) integrate systems through application programming interface connections such as SMPP and SS7 thereby offering the possibility of smart messaging which allows small- and medium-scale enterprises to instantly market their products via alerts for deals and special offers, provide SMS cards, and offer other services.

Niche applications could include the co-branding of low-cost SMS cards with mobile operators. GINSMS expects to launch its service for China's inbound traffic by the end of fiscal 2011. GINSMS will utilize available funds to hire business development managers and conduct marketing and promotional activities with the objective to secure business contracts with a mobile operator in China to capture the market for SMS traffic destined for China from Hong Kong or overseas.

Final Word

With our IPO successfully completed, and the upgrades to our system in full operation, GINSMS is now poised to take the next step in its quest to become a major player in the IOSMS industry in the key regions of Asia. As we have noted, we will continue our efforts to expand our business and strengthen and enhance our market coverage.

Much has been accomplished in our first few months as a publicly traded company and much is yet to be done. The Board and management are confident that we are on the right track to hit our targets and reach our goals and we look forward with great anticipation to the remainder of fiscal 2011.

Finally, we would like to thank the hard-working and dedicated members of our team for their continuing efforts and our customers for their confidence in us. We would also like to thank our shareholders for their support and belief in what we are doing – enhancing shareholder value remains our top priority.

Sincerely,

Man Kon (Jonathan) Lai – Director and Chairman

Kwok Kin Suen – Chief Executive Officer

OPERATIONS AND INDUSTRY OVERVIEW

Operations Overview

Principal Products and Services

GIN holds a PNETS issued by the OFTA permitting it to provide SMS in Hong Kong. IOSMS is a SMS gateway connecting to all mobile operators and a fixed line operator and two MVNOs in Hong Kong. The SMS gateway identifies the recipient's operator ID and delivers the SMS message to the corresponding operator's SMS gateway.

IOSMS' key function is to identify and deliver an SMS correctly. Customers (the operators) are charged based on the volume of SMS traffic relayed through the IOSMS gateway with a minimum monthly fee. The IOSMS system is able to provide inter-operability functions to handle different network protocols. GIN's customers are all corporate clients in the telecommunications sector with its major clients being MNOs. Other clients include MVNOs and a fixed line operator. GIN has signed 2 year contracts with the five major MNOs in Hong Kong, being Hutchison Telecommunications (Hong Kong) Limited, China Mobile Peoples Telephone Company Limited, PCCW Mobile HK Limited, CSL Limited and SmarTone Mobile Communications Limited. All these contracts have relatively similar terms and conditions. GIN also has contracts with the one MVNO in Hong Kong, namely China Unicom International Limited, which is set to expire on September 30, 2010, and one fixed line operator, namely PCCW-HKT Telephone Limited. Currently, management estimates that GIN has approximately 10% of the market share in the Hong Kong market.

GIN charges its customers on a usage basis based on the number of messages transmitted with a monthly minimum charge. GIN's revenue from its five largest customers, which are all MNOs, accounted for 76.1%, 77.8% and 87.6% of total revenue for the fiscal years ended March 31, 2008, 2009 and 2010 respectively. GIN's pricing strategies are based on market conditions. Its policy is to keep prices sufficiently high without triggering a flight of traffic towards the competition. At the same time, GIN has a low-cost operating structure and does not intend to lose traffic if price becomes a leading factor in preserving customer loyalty. Bundled fees (i.e. monthly minimum charge) were increased in 2008 to guard against idle or minimal usage of operating system capacity. The pricing policy of GIN is set on or above the market price. There is no regulatory restriction on pricing.

Prices for SMS are constantly subject to review but management's policy is to prevent speculative pricing and keep prices as stable as possible taking into account market conditions and the competition. The business is not subject to any significant seasonal or cyclical variations but traffic tends to increase during holiday periods. Traditionally, December is the highest traffic period and March the lowest.

In 2008, the Company decided to carry out a series of business restructuring and system upgrades to improve business efficiency and system capability. The new system, which was implemented in late November 2009, became fully operational in the first quarter of fiscal 2010 and is capable of handling 10 times as much traffic as compared to the previous IOSMS system. The upgraded core system is able to handle substantially more SMS traffic having the capability to process different transmission standards used by mobile operators such as GSM (the current most popular cellular phone standard), CDMA, PHS and fixed SMS transmission protocols.

The Corporation also intends to develop value-added services. To achieve its goals, the Corporation is planning to hire new marketing personnel and invest in software technologies either directly or through partners. Although management had targeted March 31, 2010 as a turning point, it now believes it will take at least a year before its strategy takes shape. The Corporation's immediate objective is to gain market share for SMS traffic in Hong Kong, and take advantage of the opportunities the China market offers for inbound traffic via our new China based WOFE as well as the potential for growth through acquisitions, with or without partners .

Performance to Date

GIN has grown its business substantially since inception. SMS traffic through GIN since inception is shown in the following table:

Traffic	Apr. 03 - Mar. 04	Apr. 04 - Mar. 05	Apr. 05 - Mar. 06	Apr 06 - Mar. 07	Apr. 07 - Mar. 08	Apr. 08 - Mar. 09	Apr. 09- Mar. 10
Number of SMS	42,565,149	49,503,872	44,619,333	102,441,980	147,182,745	138,922,460	128,283,047
Annual Growth Rate	N/A	16.3%	(9.9%)	129.6%	43.7%	(21.7%)	(7.6%)
Avg. Price per SMS	$0.10	$0.10	$0.045	$0.045	$0.045	$0.040	$0.040

As can be seen from the above table, traffic has grown substantially since inception. The drop in traffic in 2004 was the result primarily from the competition generated with the entrance in the market of a second IOSMS operator, namely CITIC 1616. Subsequent to the year ended March 31, 2007, SMS traffic declined because of GIN's inability to meet the new requirements of one of GIN's major customers following a system upgrade such customer had undertaken towards the end of 2007. Setting up new parameters took several months to implement resulting in a loss of traffic to GIN's competitor. Although this major customer began rerouting SMS traffic back to GIN in early 2008, total volume that year was still impacted.

The decline in revenue in fiscal 2010 is an extension of the pause in traffic which manifested while the competition continued to benefit from GINSMS change-over to its new IOSMS in the first quarter of fiscal 2010. In addition, and perhaps more importantly, two of its major customers made some system routing changes which immediately and negatively affected volume of SMS going through its system. It also took longer than expected for GINSMS to modify its new system to handle the changes extending this unusual wedging situation till the end of the fiscal year However, the situation has been stable since April 2010 and GINSMS has begun to regain a portion of the traffic that was lost.

Quarterly SMS Traffic and Revenue Comparisons for the Fiscal Year Ended March 31, 2010

For the quarter ended:	6/30/09	9/31/09	12/31/09	3/31/10
Traffic (Inter-SMS)	26,551,917	31,564,627	35,476,325	34,690,178
Revenue $	1,372,898	1,513.881	1,627,652	1,596,033

Going forward, management is confident that it will be able to increase its market of SMS traffic in Hong Kong and penetrate the market for inbound traffic into China which would impact directly and favourably on profit margins. The most immediate and significant challenge for the Company is to grow revenues back to historical levels through higher traffic in Hong Kong. As mentioned above, drawbacks in this area in fiscal 2010 were due to some system routing changes in two of GINSMS' major customers. Current trends indicate that we are making good progress.

Further down the road, with the acquisition of a license in late July of this year to operate a WOFE in China, management is confident that better times are ahead.

An Industry Overview

There are only two IOSMS hubs in Hong Kong, namely GINSMS and CITIC 1616. CITIC 1616 is a subsidiary of CITIC Pacific Limited, a large and strongly capitalized public company with a large portfolio of diversified businesses operating around the world. GINSMS' market share over the past several years has generally declined due to CITIC's strong human and financial resources. However, GINSMS has been able to operate profitably since its formation in 2002 as the volume of SMS routed through its hub has grown substantially. GINSMS' customers include all the mobile operators and a major fixed line operator in Hong Kong.

GINSMS has always maintained a close relationship with its customers who find substantial benefits in routing SMS through the two hubs in spite of the dominating position of our competitor. In the past, however, management of GINSMS' predecessor company had not been aggressive in the marketing of its IOSMS platform due to limited financial resource. Given a strong expansion of global SMS transmission and taking into account the opportunities brought about by the coming on stream of 3G technology and the potential of this for valued added services (VAS), management intends to increase its attention on marketing and enhancing the quality of services.

The SMS Market

GINSMS has been able to operate profitably since its formation in 2002 as the volume of SMS routed through its hub has grown substantially, benefiting from the rapid growth in the use of mobile messaging (particularly the SMS) as a means of communication. The onset of 4G services will further boost the growth of data and messaging business in Asia, especially in China.

As the global mobile phone penetration rate continues to grow, management observes that the use of SMS is becoming more popular as the cost of SMS drops. Mobile data revenue is an important growth driver of the total revenue from the mobile telecom industry. Currently, a large portion of such revenue is contributed by SMS.

Hong Kong SMS Market Overview

Growth in Hong Kong's mobile phone market has continued despite having reached saturation point in 2002. Going into calendar year 2010, penetration was close to 175%. This penetration level puts Hong Kong in third place behind Singapore and Macau in the Asian mobile market (all ahead of previous leader, Taiwan). Growth in the mobile sector started back in 1999 when the market was boosted by the introduction of number portability. With a population of over 7 million, the market is effectively saturated but has continued to remain competitive through preparedness among the operators to restructure and be innovative.

Hong Kong has one of the most sophisticated and competitive telecom markets in the world. The regulatory authority is pro-competition and pro-consumer. All segments of Hong Kong's telecom policy aim to facilitate the development of the telecom industry and enhance Hong Kong's position as an international telecom hub. Before 2002, sending SMS directly from one operator to another in Hong Kong was not possible as the six mobile operators' SMS gateways were not interconnected. OFTA initiated the SMS hub project in 2001. GIN started to provide SMS hub service in Hong Kong in late 2002.

Through acquisitions and mergers, the market in Hong Kong has consolidated into five major MNOs. With the introduction of the portability of mobile numbers in 1999, competition intensified resulting in a strong demand for products that would add value to each MNO's respective offerings. The search for innovative value-added services catering to specific groups or targeting varied segments of the population has added to the complexity of this explosive market providing the Corporation with many opportunities for growth. To maintain a high quality service, investment in new systems and system upgrades are often needed. The investment is not only about capital for new purchases, but also experienced in-house system customization to meet customers´ needs. As such, management believes that the entry barriers for new entrants into the market are very high.

China SMS and Data Market Overview

The PRC Government has issued three 3G licenses to China Mobile, China Unicom and China Telecom in November 2008. China Mobile, China Unicom and China Telecom have launched their 3G services in late-2009. Up to the end of June 2010, there were 25.2 million 3G users in China. The Corporate Group believes that the availability of 3G services in China will boost the demand for data related services in China assuming SMS will continue to grow along with other services such as multimedia messaging services, video streaming, and downloading activities.

The Corporate Group's business plan in China covers both SMS and other data hubbing services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended
March 31, 2010 & 2009

GENERAL

This management's discussion and analysis ("MD&A") of GINSMS ("GINSMS" or the "Corporation") has been prepared by management and should be read in conjunction with the audited consolidated financial statements and related notes thereto of the Corporation for the three and twelve month periods ended March 31, 2010 and 2009, which were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Corporation's Audit Committee has reviewed and approved this MD&A.

This MD&A was prepared as of July 28, 2010. 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.

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 markets, credit risk, consolidation of existing customers, dependence on required licenses, Hong Kong's economy and politics, conflicts of interest and residency of directors and officers. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Corporation cannot assure the reader that actual results will be consistent with these forward-looking statements.

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

- the Corporation's belief that the availability of 3G services in China will boost the demand for data related services
- the Corporation's belief that its IOSMS technology offers the best alternative for efficient and low-cost delivery of SMS as it allows businesses and organizations to reach mobile telephone users via its current SMS platform without having to build a new web-based gateway;
- management's belief that it is able to maintain a stable pricing for customers; and
- management's belief that GET is able to generate sufficient amounts of cash to fulfill 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.

PREFACE

GINSMS Inc., which was incorporated on March 20, 2009, is the parent company of GIN International Ltd. ("GIN"), through its wholly-owned subsidiary, Global Edge Technology Ltd. ("GET"). GIN is a technology services company focused on providing inter-operator short messaging services ("IOSMS") to mobile telecom operators in Hong Kong. GIN was founded in 2002 and received a public non-exclusive telecommunications service license ("PNETS") from the Office of the Telecommunications Authority ("OFTA"), the governing body for the telecommunications sector in Hong Kong, to provide IOSMS 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 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.

CORPORATE OVERVIEW – DESCRIPTION OF THE BUSINESS

The Corporation is dedicated to becoming a significant player as an IOSMS company in key regions of Asia, mainly Hong Kong and China, through its hub centre located in Hong Kong. In late 2008, GIN carried out a series of system upgrades to improve business efficiency and system capability. The new system became fully operational in the first quarter of fiscal 2010 and is capable of handling 10 times as much traffic as compared to the previous IOSMS system. This new system was paid in cash through internally generated funds.

After raising some $1.7 million in share capital last December through an initial public offering, the Corporation is determined to capture a growing share of the Hong Kong market and penetrate the China market for inbound traffic into the country.

The Corporation also intends to develop value-added services. To achieve its goals, the Corporation is planning to hire new marketing personnel and invest in software technologies either directly or through partners. Management had targeted March 31, 2010 as a turning point but believes it will take at least a year before its strategy takes shape. The Corporation's immediate objective is to gain market share for SMS traffic in Hong Kong and gain access to the potential the China market offers. With its new operating system in place since March 2009, its competitive edge has improved considerably. The upgraded core system is able to handle substantially more SMS traffic having the capability to process different transmission standards used by mobile operators such as GSM[1] (the current most popular cellular phone standard), CDMA[2], PHS[3] and fixed SMS transmission protocols.

1. GSM: Wireless mobile technology protocol which stands for Global System for Mobile communications.

2. CDMA: Wireless mobile technology protocol that stands for Code Division Multiple Access.

3. PHS: Wireless mobile technology protocol which stands for Personal Handy-phone System.

OVERALL PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2010

Highlights

- Successful completion of an initial public offering in December 2009, raising $1.7 million in new share capital.
- At $147,175, net income for the year ended March 31, 2010 is up $383,320 when compared to the net loss of ($236,145) a year ago. In addition, the net loss for the fourth quarter of fiscal 2010 of ($78,068) was an improvement over the net loss of ($442,076) reported in the quarter ended March 31, 2009. Without the forgiveness of debt charged to earnings in the fourth quarter of fiscal 2009, net income for the year ended March 31, 2010 would have dropped by $103,119 or 41.2% and in the fourth quarter by $130,341 or 126.4%.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) for the year totaled $219,352, down 31.1% from the $318,249 reported in fiscal 2009.
- For the three month period ended March 31, 2010, EBITDA was negative ($12,974), down substantially from $103,059 reported for the corresponding period a year ago
- Total assets as at March 31, 2010 were up by more than $620,000 to $1,652,884 versus $1,032,660 as at March 31, 2009.
- Gross dollar profit: gross profit for the year ended March 31, 2010 on par with last year at $517,050 versus $534,560 for the year ended March 31, 2009.
- Gross profit margins: Gross margins of 54.7% and 60.6% for the three months and year ended March 31, 2010 respectively, were relatively comparable versus the gross margin of 57.1% and 57.6% respectively during the previous corresponding periods.

FINANCIAL HIGHLIGHTS

REVENUE

	3 Months Ended March 31, 2010		12 Months Ended March 31, 2010	
	GINSMS 2010	GET (1) 2009	GINSMS 2010	GET (1) 2009
Total Revenue $	225,256	277,257	853,639	928,221
– Gross Margin $	123,712	158,268	517,050	534,560
– Gross Margin %	54.9%	57.1%	60.6%	57.6%
EBITDA (2) $	(12,974)	103,059	219,352	318,249
– EBITDA Margin %	(5.7%)	37.1%	25.7%	34.2%
Net Earnings $	(78,068)	(442,076)	147,175	(236,145)
– Net Earnings %	(34.6%)	(155.4%)	17.2%	(25.4%)

1. GET is the predecessor parent company whose shares were acquired by GINSMS in May 2009.

2. EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortization. This metric should not be considered in isolation or as a substitute for net earnings which is also reported herein but is made relevant by the fact that there is a substantial difference in the capital structure of the Corporation from one period to another, distorting the comparability of net earnings.

Revenue for the year ended March 31, 2010 at $853,639, was down approximately 8.0% over the prior year. This is due mainly to the drop in inter-operator SMS traffic throughout the year. However, gross margin for the current year is on par with last year at $517,050 in fiscal 2010 versus $534,560 in fiscal 2009. However, EBITDA for the year ended March 31, 2010 at $219,352 is down 19.3% from the $318,249 reported at the same period last year. The drop in revenue and the increase in expenses are the main reasons for the decrease in EBITDA in fiscal 2010.

For the year ended march 31, 2010, GINSMS recorded net earnings of $147,175, compared to a net loss of ($236,145) in fiscal 2009, a $383,320 improvement. Comparability, however, has been substantially distorted by the result of a forgiveness of debt of $494,349 related to an advance due from a related company in fiscal 2009. It is relevant to note, however, that earnings of $147,175 for the year ended March 31, 2010 were achieved despite substantially higher depreciation charges and a substantial increase in administrative expenses as the Corporation tuned public.

Total assets, including cash, accounts receivable, prepaid expenses, property and equipment and other assets (deposit), at the end of fiscal 2010 totalled $1,652,884; compared to assets of $1,032,660 as at the end of fiscal 2009, and are down slightly, by 6.7%, from the $1,772,515 at the end of December 2009.

Shareholders' equity is also up significantly over fiscal 2009 to $1,296,531 from the $435,090 reported at the end of March 2009. The reasons for the increase include the completion of the initial public offering in December 2009, the sharp rise in share capital ($929,386 versus $435,090), the number of warrants ($385,702 as opposed to nil in fiscal 2009).

The table on the following page sets out the Corporation's assets and shareholder's equity for the years ended March 31, 2010 and 2009:

ASSETS		
Current Assets	Year Ended Marc31, 2010	Year Ended March 31, 2009
	$	$
Cash	444,271	56,419
Accounts receivable	317,196	385,198
Prepaid expenses	108,739	3,867
Fixed Assets		
Property & equipment	323,548	399,620
Deferred costs	–	187,556
Other assets	464,130	–
Total Assets	**1,652,884**	**1,032,660**
Shareholders' Equity	**1,296,531**	**435,090**

Analysis of Expenses

Overall expenses for the year ended March 31, 2010 totaled $339,643. This is up from the fiscal 2009 total of $227,765 due primarily to the significant increase in depletion and amortization in computer equipment and software. Selling and G&A costs were up $81,387, or 37.6% for fiscal 2010 at $297,698 compared to $216,311 for the year ended March 31, 2009. This was due largely to the introduction of the new system upgrades that took place during the year. The fourth quarter ended March 31, 2010 showed a substantial increase in expenses when compared to the same period in fiscal 2009, due largely to the sharp rise in selling and G&A expenses, which were up 147.5%.

The table below outlines the changes in the major categories:

	2010	2009	2010	2009
	Three months ended March 31		Year ended March 31	
Expense	$	$	$	$
Depletion & Amortization	25,207	8,561	95,017	11,465
Selling & General & Administration	136,686	55,209	297,698	216,311
Interest	43	(11)	(15,643)	(11)
Unrealized Gain on Foreign Exchange	--	--	(37,429)	--
Total	**161,936**	**63,759**	**339,643**	**227,765**

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED ANNUAL INFORMATION

The tables on the following page set out selected annual financial information and are based on the audited consolidated financial statements of the Corporation for the year ended March 31, 2010, the restated audited balance sheet of the Corporation as at March 31, 2009, and the audited consolidated financial statements of GET for fiscal 2009, 2008 and 2007. These financial statements have been prepared in accordance with Canadian GAAP.

On June 9, 2009, GINSMS acquired all the issued and outstanding shares of GET in exchange for the issuance of 31,766,566 shares of the Corporation at a fair value of $4,764,985 with an effective date of April 1, 2009. However, the transaction was considered to be an exchange of ownership interests between related groups and was therefore accounted for assuming continuity of business under Emerging Issues Committee 89 ("EIC 89") – exchanges of ownership interests between enterprises under common control. Consequently under EIC 89, no fair value adjustment was made and the acquisition was reflected at the net book value of GET for a consideration value of $435,075, which was credited to share capital.

EIC 89 also requires that the comparative figures be restated to reflect the financial position and results of operations as if the Corporation had been combined since inception and therefore the financial statements of the combined company presented for prior periods were restated accordingly.

Summary of Financial Information of GINSMS

	Consolidated as at March 31, 2010 (Audited)	Consolidated as at March 31, 2009 (Audited - restated)
Total assets	1,652,884	1,032,660
Total Liabilities	356,353	597,570
Shareholders' Equity	1,296,531	435,090

Summary of Financial Information for GET(1)

	For the Year ended March 31, 2009 (audited)	For the Year ended March 31 2008 (audited) (2)	For the Year Ended March 31 2007 (audited) (2)
Sales	$928,221	$797,524	$ 1,081,494
Earnings from Operations	$306,795	$282,403	$ 424,941
Net earnings (loss)	($236,145)	$255,875	$ 8,226
Total Assets	$845,089	$768,188	$ 463,940
Total Liabilities	$410,014	$197,155	$ 107,495
Shareholders' Equity	$435,075	$571,033	$ 356,445

1. This summary of financial information of GET is presented to reflect the performance of the predecessor company prior to its acquisition by GINSMS.

2. To achieve comparability, the Audited figures in this table as at March 31, 2008 and 2007 have not been restated.

Prior periods have been reclassified to reflect the last fiscal year's classification together with all the changes in accounting policies that were in effect in that period.

QUARTERLY COMPARISONS & RESULTS

The quarterly information set forth on the following page 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 our audited consolidated financial statements and the notes thereto.

	GET(1) Fiscal 2009				GINSMS Fiscal 2010			
	Q1 6/30/08	Q2 9/30/08	Q3 12/31/08	Q4 3/31/09	Q1 6/30/09	Q2 9/30/09	Q3 12/31/09	Q4 3/31/10
Sales	204,636	221,981	224,347	277,257	204,256	208,541	215,587	225,257
Operating Expenses	138,408	146,397	153,873	182,748	170,075	123,598	134,764	263,483
Net Earnings Before Under-Noted Items	66,228	75,584	70,474	94,509	34,179	84,943	96,509	(38,224)
Forgiveness of Debt	0	0	0	(494,439)	0	0	0	0
Income Taxes	2,016	2,300	2,039	42,146	0	(9,837)	225	39,844
Net Earnings	64,212	73,284	68,435	(442,076)	34,179	84,943	96,509	(78,068)

1. *GINSMS is the successor parent Canadian company of GET. Quarterly results shown above for fiscal 2009 are for GET, while fiscal 2010 quarterly results are GINSMS and begin in Q1.*

GINSMS charges its customers based on the number of SMS sent, subject to monthly minimum bundle fees. On March 1, 2008, GIN reduced its charge per SMS but increased bundle fees (i.e. monthly minimum charge) to guard against idle or minimal usage system capacity. Since then, there were no changes in charges per SMS and bundle fees. Although GINSMS business is not subject to any significant seasonal or cyclical variations, traffic tends to increase during holiday periods.

Sales for the quarter ended March 31, 2010 were $225,257, down 11.6% from the corresponding quarter the previous year, but are up approximately $10,000 from the third quarter of fiscal 2010. Revenue-bearing inter-SMS traffic was down slightly by 9.0% to 34.7 million compared to 38.1 million in the same quarter in fiscal 2009, and in relation to the previous quarter in fiscal 2010, the total was down by 2.2%.

The decline in revenue both in the fourth quarter and overall in fiscal 2010 is an extension of the pause in traffic which manifested while the competition continued to benefit from GINSMS change-over to the new IOSMS in the first quarter of fiscal 2010. In addition and perhaps more importantly, two of its major customers made some system routing changes which immediately and negatively affected volume of SMS going through its system. It also took longer than expected for GINSMS to modify its new system to handle the changes extending this unusual wedging situation till the end of the fiscal year However, the situation has been stable since April 2010 and GINSMS has begun to regain a portion of the traffic that was lost.

Furthermore, the GINSMS client "Sunday" reduced some traffic to our gateway in the 4th quarter which explained the further drop in the fourth quarter.

For the three months ended March 31, 2010, a net loss of ($76,068) was reported. This compares to a net loss of ($442,076) reported during the fourth quarter ended March 31, 2009. The large loss in the fourth quarter of fiscal 2009 was a result of the forgiveness of debt referred to above. The loss of the fourth quarter in fiscal 2010, compared to the fourth quarter of the previous year, is attributable in large part to much higher depreciation charges and operating expenses including substantially higher professional services fees following the Initial Public Offering in December 2009. Lower revenues due to a drop in traffic were also a factor.

However, the Corporation feels that it is making progress on its balance sheet. Despite this progress, however, the inordinately low level of traffic during the first and fourth quarters of fiscal 2010 caused total traffic for fiscal 2010 to decline by 8.3% to 128.3 million short messages, as compared to 139.9 short messages during the previous year. This decline in traffic was the primary reason that revenues decreased by 7.2% or $75,241 for the year ended March 31, 2010 compared to the year ended March 31, 2009.

Quarterly SMS Traffic & Revenue Comparisons

Quarterly Traffic & Revenue for the Fiscal Year Ended March 31, 2010

For the quarter ended:	6/30/09	9/30/09	12/31/09	3/31/10
Traffic (Inter-SMS)	26,551,917	31,564,627	35,476,325	34,690,178
Revenue $	1,372,898	1,513.881	1,627,652	1,596,033

Quarterly Traffic & Revenue for the Fiscal Year Ended March 31, 2009

For the quarter ended:	6/30/08	9/30/08	12/31/08	2/31/09
Traffic (Inter-SMS)	29,141,869	32,918,763	38,730,727	38,130,301
Revenue $	1,489,984	1,568,895	1,736,285	1,793,703

Going forward, management is confident that it will be able to increase its market of SMS traffic in Hong Kong and penetrate the market for inbound traffic into China which would impact directly and favourably on profit margins. The most immediate and significant challenge for the Company is to grow revenues back to historical levels through higher traffic in Hong Kong. As mentioned above, drawbacks in this area in fiscal 2010 were due to some system routing changes in two of GINSMS' major customers. Current trends indicate that we are making good progress. Further down the road, with the acquisition of a license in late July of this year to operate a Wholly Owned Foreign Enterprise ("WOFE") in China, management is confident that better times are ahead.

Cost of Sales

Cost of sales consists mainly of the following components:

1) Database subscription fees to allow GINSMS to update subscriber's information on behalf of the mobile network operators;
2) Lease line rental fees to connect with mobile network operators;
3) Fees for data centre facilities to host and manage the IOSMS system; and,
4) Fees for a technical service provider to support the operations and maintenance of the IOSMS system.

For the fourth quarter of fiscal 2010, cost of sales amounted to $101,544, compared to $118,989 during the same quarter of the previous year, representing a decline of 14.6%. The decline principally reflects lower operation and maintenance costs of the new IOSMS operating system and represents excellent authentication as to the economic value of this capital investment. With revenue decreasing by some $52,000, and the cost of sales declining by only approximately $17,000, the result is that gross margin decreased to 54.9% for the quarter ended March 31, 2010 from the 57.1% for the quarter ended March 31, 2009. Compared to the previous quarter ended December 31, 2009, cost of sales has increased moderately by 10.4%. Gross margin for fiscal 2010 was 62.1%, up 4.5% when compared to fiscal 2009 when gross margin was 57.6%.

However, the overall increase in gross margin over the past several quarters provides a solid base for management's optimism regarding the Corporation's potential for improvement in its profitability, while efforts are being made to increase the volume of traffic going through its platform for SMS transmission. Depreciation of capital assets rose from $22,236 in the third quarter ended December 31, 2009 to $25,207 in the fourth quarter ended March 31, 2010. The small increase manifested following the investment by the Corporation in its new operating system and related equipment.

Expenses

In the three months ended March 31, 2101, selling and G&A expenses increased by 147.5% from $55,209 or 24.7% of sales for the three months ended March 31, 2009 to $136,686, or 60.7% of sales. In comparison with the previous quarter ended December 31, 2009, selling and G&A expenses were up by 155.9%, due essentially to higher general and administrative costs, which is not an uncommon phenomenon in the industry in Hong Kong. On a year-to-year basis, selling and G&A expenses are up $75,814, or 5.08%. Again, the rise is due primarily to the costs associated with the implementation of the new system.

For the year ended March 31, 2010, overall expenses increased by approximately 49% to $339,643 from the $227,765 reported in fiscal 2009. The main reason for the increase was the rise in amortization costs, which were $95,017 compared to only $11,465 in fiscal 2009. Selling and G&A expenses amounted to $260,269, compared to $216,311 as at March 31, 2009, representing an increase of 9.6%.

As mentioned above, net loss for the fourth quarter ended March 31, 2010 totaled ($78,068) as compared to a net loss of ($442,076) for the corresponding quarter in fiscal 2009. In comparison to the third quarter of fiscal 2010, net earnings are down $128,818. Despite keeping the cost of sales in line and recording higher gross margin, net earnings deteriorated as a result of comparatively higher operating expenses as explained above.

LIQUIDITY & CAPITAL RESOURCES

GINSMS is in a good financial position and has no debt. As at March 31, 2010, the Corporation had cash on hand of $447,271 compared to $56,404 as at March 31, 2009. The increase in the cash balance reflects the money raised from the Corporation's initial public offering of $1.7 million in December 2009.

As depicted in the table on the following page, cash flow from operations as at March 31, 2010 was negative ($415,454), compared to $349,563 for the corresponding quarter in the previous year and $71,526 during the third quarter of fiscal 2010.

	2010	2009	2010	2009
	Three months ended March 31		12 months ended March 31	
	$	$	$	$
Beginning Cash	**662,953**	**32,526**	**56,419**	**112,324**
Net Earnings	(78,068)	(442,076)	147,175	(236,145)
Depreciation	25,207	8,561	95,017	11,465
Future Income Tax Expense	1,776	39,164	5,018	39,164
Changes in non-cash Working Capital	(84,059)	(364,058)	(415,454)	349,563
Cash Flow From Operations	**(84,059)**	**(364,058)**	**(128,339)**	**349,563**
Investing Activities	(86,612)	(352,685)	(88,123)	(421,964)
Financing Activities	(46,610)	15	938,943	(357,472)
Effect of Exchange Rate	(1,401)	5,505	(47,514)	16,481
Ending Cash	**447,271**	**56,404**	**444,271**	**56,404**
Total Cash Used (Provided)	**(218,682)**	**16,878**	**387,852**	**(55,920)**

The most significant item affecting cash during fiscal 2010 was the funds raised through an initial public offering in the amount of $1.7 million which after issue costs and repayment to shareholders resulted in a net addition to cash flow of $387,852. Also affecting cash for fiscal 2010 was an increase in cash flow from operations before non-cash working capital changes of $247,210 (the sum of net earnings of $147,175, depreciation of $95,017 and future income taxes of $ 5,018). In the third and fourth quarters of fiscal 2010, depreciation was much larger than that of the corresponding quarter of the previous year because of GINSMS' investment in new capital assets as at December 31, 2008, which were virtually fully depreciated for accounting purposes.

Also affecting cash is a deposit in the amount $473,478 set aside for the acquisition of physical and software assets which consist of an email and a SMS platform, which was delivered in April 2010. However, since the hardware was not delivered prior to year end and is subject to certain right of return provisions, the assets will be treated as a returnable deposit.

In addition to net earnings of $147,175, some $509,338 was added to working capital via the Corporation's initial public offering during the third quarter of fiscal 2010. As a result, cash as at March 31, 2010 amounted to $444,271, compared to $56,414 at the end of the year ended March 31, 2009. Working capital as at the end of the previous quarter, namely December 31, 2009, was $757,997. With the money from the initial public offering, the Corporation paid all expenses booked to deferred charges. With this, the Corporation's financial position has been strengthened substantially with shareholders' equity amounting to nearly $1.3 million, compared to $435,090 as at the end of the fiscal year ended March 31, 2009.

The Corporation has recorded future income tax liabilities of $40,436 as at March 31, 2010, which is slightly lower than the $44,032 as at March 31, 2009. The recognition of the tax liabilities is due to tax timing differences in the treatment of newly acquired assets between the method used to carry the amount of these assets for accounting purposes as compared to the method used for tax purposes (please refer to the audited consolidated financial statements of the Corporation for the year ended March 31, 2010 for more details).

BUSINESS ENVIRONMENT

There are only two IOSMS hubs in Hong Kong, namely GINSMS and CITIC 1616. CITIC 1616 is a subsidiary of CITIC Pacific Limited, a large and strongly capitalized public company with a large portfolio of diversified businesses operating around the world. GINSMS' market share over the past several years has generally declined due to CITIC's strong human and financial resources. However, GINSMS has been able to operate profitably since its formation in 2002 as the volume of SMS routed through its hub has grown substantially. GINSMS' customers include all the mobile operators and a major fixed line operator in Hong Kong.

GINSMS has always maintained a close relationship with its customers who find substantial benefits in routing SMS through the two hubs in spite of the dominating position of our competitor. In the past, however, management of GINSMS' predecessor company had not been aggressive in the marketing of its IOSMS platform due to limited financial resource. Given a strong expansion of global SMS transmission and taking into account the opportunities brought about by the coming on stream of 3G technology and the potential of this for valued added services (VAS), management intends to increase its attention on marketing and enhancing the quality of services.

RISKS & UNCERTAINTIES

Through its operations, the Corporation is exposed to various business risks and uncertainties which could have an impact on its capacity to achieve its growth objectives. The following factors should therefore be taken into account when evaluating the Corporation's future prospects:

- 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 resilience, network diversity and back up system
- Loss of significant information
- Insurance coverage
- Capacity limits
- Rapid technological change
- Market acceptance at desired pricing levels
- Decline in volume of transactions
- Capacity to attract and retain personnel including key members of the management team
- Success of expansion into Chinese markets
- Credit risk of accounts receivable
- Consolidation of GIN's customers
- Dependence on required licenses
- Hong Kong's economy and politics
- Conflicts of interest
- Residency of directors, officers and others
- Risks of legal proceedings in foreign jurisdictions
- Control by management
- Market for securities
- Possible future dilution
- Foreign exchange rates and fluctuations thereof

Risks and uncertainties highlighted above have not changed since the filing of the long-form prospectus dated November 12, 2009 on SEDAR at www.sedar.com and, therefore, the Corporation would encourage the reader to refer to the section of the prospectus entitled "Risk Factors" for an additional discussion of risk factors affecting the business of the Corporation.

SEGMENTED INFORMATION

The Corporation's reportable segments are (1) a business holding diversified investments in Canada; (2) provision of inter-operator short message services in Hong Kong.

The Corporation, however, plans to expand its activity to include VAS which could provide the basis for disclosure of segmented information in the future. The Corporation also plans to penetrate the market for inbound traffic to China from Hong Kong and other countries, which would also allow for the breakdown of information by geographic area. At the moment, however, GIN offers only IOSMS and only in Hong Kong.

The revenues are all generated in Hong Kong. Four major customers have contributed to sales revenue as indicated in the table on the following page:

	GET(1) Fiscal 2009				GINSMS Fiscal 2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10
Sales	204,636	221,981	224,347	277,257	204,256	208,541	215,587	225,257
Operating Expenses	138,408	146,397	153,873	182,748	170,075	123,598	134,764	263,483
Net Earnings Before Under-Noted Items	66,228	75,584	70,474	94,509	34,179	84,943	96,509	(38,224)
Forgiveness of Debt	0	0	0	(494,439)	0	0	0	0
Income Taxes	2,016	2,300	2,039	42,146	0	(9,837)	225	39,844
Net Earnings	64,212	73,284	68,435	(442,076)	34,179	84,943	96,509	(78,068)

	2010	2009
Customer A	$ **187,368**	$ 248,337
Next three top customers		
Customer B	**166,537**	103,101
Customer C	**120,179**	130,084
Customer D	**103,870**	148,912
All other customers	**275,684**	400,888
Sales revenue	$ **853,639**	$ 928,221

	For the year ended March 31, 2010			For the year ended March 31, 2009		
	Investments	SMS	Total	Investments	SMS	Total
Sales	$ –	$ 853,639	$ 853,639	$ –	$ 928,221	$ 928,221
Unrealized foreign exchange gain	37,429	–	37,429	–	–	–
Amortization of property and equipment	–	(95,017)	(95,017)	–	(11,465)	(11,465)
Interest income	–	–	–	–	11	11
Forgiveness of debt	–	–	–	–	(494,439)	(494,439)
Provision for income taxes	–	(30,282)	(30,282)	–	(48,501)	(48,501)
Net (loss) earnings	$(62,869)	$ 210,044	$ 147,175)	$1,486,574	$ (421,486)	$ 1,026,964
Segment assets, excluding the under-noted	$17,146	$1,635,738	$1,652,884	$ 15	$ 845,089	$ 845,104
Deferred charges	–	–	–	187,556	–	187,556
Total assets	$17,146	$1,635,738	$1,652,884	$187,586	$ 845,089	$ 1,032,660
Total expenditures for additions to property and equipment	$ -	$ 88,123	$ 88,123	$ –	$ 357,472	$ 357,472

CONTROLS AND PROCEDURES

The Corporation's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for the Corporation. As such, the Corporation maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators rules and forms.

OFF-BALANCE SHEET ARRANGEMENTS

GINSMS does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Corporation had the following related party transactions that have been recorded at their exchange amounts for the years ended March 31, 2010 and 2009.

	2010	2009
Consulting fees paid to a director, which are included in the issue costs	**$ 11,531**	$ –
Consultant fees paid to a company controlled by a director or a shareholder, which are included in the issue costs	**$ 45,520**	$ 27,615
Consultant fees paid to a company controlled by a director or a shareholder, which are included in selling, general & administrative	**$ 6,256**	$ –
Consultant fees paid to a company controlled by a director, which are included in selling, general & administrative	**$ 9,502**	$ –
Rental expenses paid to subsidiary of the ultimate parent company	**$ –**	$ 8,600

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

CHANGES IN ACCOUNTING POLICIES

In February 2008, the CICA Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required effective January 1, 2011 for public companies in Canada (i.e., IFRS will replace Canadian GAAP for public companies).

The following changes in accounting policies and disclosures were adopted prospectively (if applicable), on April 1, 2009 with no restatement of prior periods. No impact to the earnings or cash flows of the Corporation was identified upon adoption.

CAPITAL DISCLOSURES

Goodwill and intangible assets

Effective April 1, 2009, the Corporation adopted the CICA Section 3064 "Goodwill and Intangible Assets". This standard, which replaces GAAP section 3062 and 3450, provides guidance relating to the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard did not impact the Corporation's financial statements as it has no goodwill or intangible assets at period end.

Section 3862, Financial Instruments - Disclosures

During June 2009, amendments were made which include enhanced disclosures relating to the fair value of financial instruments and the liquidity risk associated with financial instruments which now require that all financial instruments measured at fair value be categorized into one of three hierarchy levels. The amendments are consistent with recent amendments to financial instruments disclosure under International Financial Reporting Standards and the prospective adoption had no impact on the consolidated financial statements.

EIC 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

The Emerging Issues Committee ("EIC") issued this abstract which provides further guidance on the determination of the fair value of financial assets and financial liabilities under Section 3855. EIC 173 concluded that when determining the fair value of financial assets and financial liabilities, the entity should consider its own credit risk as well as the credit risk of the counterparty. The retrospective adoption of this abstract did not have a material impact on the consolidated financial statements.

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 such non-compliance.

FINANCIAL INSTRUMENTS

Financial instruments of GINSMS consist of cash, account receivables, accounts payable and accrued liabilities. 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 and accrued liabilities approximate their values due to the short-term nature of these instruments. The functional currency of GET is the Hong Kong Dollar. In accordance with the Canadian GAAP, the consolidated financial statements of GINSMS, which are prepared using the functional currency, 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. The increase of the Canadian dollar against the Hong Kong dollar during the fourth quarter ended March 31, 2010 resulted in a foreign currency translation adjustment positive to earnings in the amount of $59,344. This compares to a foreign currency adjustment negative to earnings of $142,555 in the corresponding annual period the previous year. The amount is not included in determining net income but it is included in foreign exchange adjustment to other comprehensive income, a component of shareholders' equity of the consolidated financial statements.

SHAREHOLDERS' EQUITY & DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

Shareholders' equity as at March 31, 2010 totaled $1,296,531, compared to $1,465,573 as at December 31, 2009 and $435,090 as at March 31, 2009. The reason for the significant difference year over year was the successful completion of the Corporation's Initial Public Offering in December 2009. GINSMS is authorized to issue an unlimited number of common shares in its capital.

As of the date of this MD&A, GINSMS had 43,337,499 common shares issued and outstanding. Pro-forma 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 is available at www.sedar.com.

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 years ended March 31, 2010 and 2009.

Issued:	March 31, 2010		March 31, 2009	
	Shares	Amount	Shares	Amount
		$		$
Balance, beginning of year	31,766,666	435,090	–	–
Issued on incorporation	–	–	100	15
Issued on acquisition	–	–	31,766,566	435,075
Issued on initial public offering	11,337,500	1,700,625	–	–
Issued to directors and officers	233,333	35,000	–	–
Value assigned to warrants	–	(323,119)	–	–
Share issue costs	–	(918,210)	–	–
Balance, end of year	**43,337,499**	**929,386**	**31,766,666**	**435,090**

During the year, the Corporation completed its initial public offering 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. Each full warrant is exercisable for a period of two years at an exercise price of $0.20 per common share, and the total number of warrants was valued at $323,119 using the Black-Scholes method with the following assumptions: risk free interest rate of 1.12%; expected life of 2 years; annual share price volatility of 85% and an expected dividend yield of 0%.

In connection with the offering, the Corporation issued 907,000 broker warrants exercisable for two years at an exercise price of $0.20 per common share and paid total cash commission of $170,058. The Corporation also incurred cash share issue costs totaling $685,569 in connection with the initial public offering. The broker warrants were valued at $62,583 using the Black-Scholes method with the same assumptions as mentioned above and is included in share issue costs.

In addition, during fiscal 2010, 233,331 shares were issued to directors and officers for gross proceeds of $35,000.

Escrow

As at March 31, 2010, the Corporation had 25,760,989 common shares subject to an escrow agreement whereby an additional 15% of the escrowed common shares will be released on each six month anniversary of the listing date of December 18, 2009 thereafter unless otherwise permitted by the securities regulators.

Share purchase warrants

A summary of warrants as at March 31, 2010 and 2009, and the changes during the years then ended is shown in the following table:

		2010		2009
Balance, beginning of the year	**$**	**–**	$	–
Fair value of warrants issued in private placements		**323,119**		–
Fair value of warrants issued as agent's compensation		**62,583**		–
Balance, end of year	**$**	**385,702**	$	–

As at March 31, 2010, there were 5,668,750 common share purchase warrants outstanding, fully exercisable into common shares at a price of $0.20 per share until December 16, 2011. There are also 907,000 broker warrants outstanding, fully exercisable into common shares at a price of $0.15 per share until December 16, 2011.

Stock-based compensation plan

On May 13, 2009, 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 TSX Venture Exchange requirements, grant to directors, officers, employees and consultants of the Corporation and its subsidiaries, non transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Corporation, for a period of up to ten years from the date of the grant. It is at the discretion of the Board of Directors of the Corporation to determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than 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.

GINSMS INC.
Consolidated Financial Statements
March 31, 2010 and 2009

Auditors Report

To the Shareholders of GINSMS Inc.:

We have audited the consolidated balance sheets of GINSMS Inc. as at March 31, 2010 and 2009, and the consolidated statements of operations and retained earnings (deficit), comprehensive loss and accumulated comprehensive loss and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2010 and 2009, and the results of its operations and the changes in its cash flows for the years then ended, in accordance with Canadian generally accepted accounting principles.

Montreal, Quebec
June 18, 2010

Horwath Leebosh Appel LLP

Horwath Leebosh Appel LLP

Management's Responsibility for Financial Reporting

To the Shareholders of GINSMS:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. 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 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 financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. 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 Committee is also responsible for recommending the appointment of the Company's external auditors.

Horwath Leebosh Appel LLP, Westmount, PQ, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

August 23, 2010

"Jonathan Lai" , Director

"Benedict Leung" , Director

GINSMS INC.

See accompanying notes to the consolidated financial statements 2

Consolidated Balance Sheets

As at March 31,		2010		2009 (Restated Note 2)
Assets				
Current				
Cash	**$**	**444,271**	$	56,419
Accounts receivable and other		**317,196**		385,198
Prepaid expenses		**103,739**		3,867
		865,206		445,484
Deferred charges		**–**		187,556
Deposit (note 8)		**464,130**		-
Property and equipment (note 4)		**323,548**		399,620
	$	**1,652,884**	$	1,032,660
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**258,089**	$	336,656
Due to a shareholder (note 5)		**22,439**		187,556
Income taxes payable		**35,389**		29,326
		315,917		553,538
Future income tax liability (note 10)		**40,436**		44,032
		356,353		597,570
Shareholders' Equity				
Share capital (note 6)		**929,386**		435,090
Warrants (note 6)		**385,702**		-
Accumulated comprehensive loss		**(165,732)**		-
Retained earnings		**147,175**		-
		1,296,531		435,090
	$	**1,652,884**	$	1,032,660

Commitments (note 8)

On behalf of the Board:

"Jonathan Lai", Director

"Benedict Leung", Director

See accompanying notes to the consolidated financial statements

Consolidated Statements of Operations and Retained Earnings (Deficit)

Years ended March 31,	2010	2009 (Restated Note 2)
Revenue	$ 853,639	$ 928,221
Cost of sales	(336,589)	(393,661)
	517,050	534,560
Expenses		
Selling, general and administrative	297,698	216,311
Amortization	95,017	11,465
Interest and other income	(15,643)	(11)
Unrealized gain on foreign exchange	(37,429)	–
	339,643	227,765
Income from operations	177,407	306,795
Forgiveness of debt (note 9)	–	(494,439)
Income (loss) before income taxes	177,407	(187,644)
Income tax expense (note 10)		
Current	25,214	9,337
Future	5,018	39,164
	30,232	48,501
Net income (loss) for the year	147,175	(236,145)
Retained earnings (deficit), beginning of year	–	(431,079)
Retained earnings (deficit), end of year	$ 147,175	$ (667,224)
Net earnings (loss) per share		
Basic	$ 0.00	$ (0.01)
Diluted	0.00	(0.01)
Weighted average number of shares outstanding		
Basic	35,103,829	31,766,666
Diluted	39,574,583	31,766,666

See accompanying notes to the consolidated financial statements

Consolidated Statements of Comprehensive Loss and Accumulated Comprehensive Loss

Years ended March 31,		2010		2009 (Restated Note 2)
Comprehensive income				
Net income (loss) for the year	**$**	**147,175**	$	(236,145)
Other comprehensive loss, net of tax				
Foreign currency translation adjustment		**(165,732)**		(431,079)
Comprehensive loss		**(18,557)**		(667,224)
Accumulated other comprehensive loss				
Balance, beginning of year		**–**		(167,563)
Other comprehensive (loss) income		**(165,732)**		100,188
Total accumulated other comprehensive loss	**$**	**(165,732)**	$	(67,375)

See accompanying notes to the consolidated financial statements

Consolidated Statements of Cash Flows

Years ended March 31,	2010	2009 (Restated Note 2)
Operating activities		
Net income (loss) for the year	$ 147,175	$ (236,145)
Items not affecting cash		
Forgiveness of debt	–	494,439
Future income tax expense	5,018	39,164
Unrealized gain on foreign exchange	(37,429)	–
Amortization	95,017	11,465
	209,781	308,923
Changes in non-cash working capital		
Accounts receivable and other	(1,716)	(69,740)
Prepaid expenses and deposit	(612,195)	–
Deferred charges	–	–
Accounts payable and accrued liabilities	(23,702)	116,521
Income taxes payable	12,379	(6,141)
	(415,453)	349,563
Financing activities		
Issuance of common shares	1,735,625	15
Share issue costs	(398,918)	–
Repayment to shareholder	(397,764)	–
	938,943	15
Investing activities		
Advance to ultimate holding company	–	(64,492)
Purchase of property and equipment	(88,123)	(357,472)
	(88,123)	(421,964)
Effect of exchange rate changes on cash	(47,515)	16,481
Increase (decrease) in cash	387,852	(55,920)
Cash, beginning of year	56,419	112,324
Cash, end of year	$ 444,271	$ 56,419
Supplemental cash flow information		
Cash interest received	$ –	$ –
Cash taxes paid	19,151	–
Non-cash financing activities		
Deferred charges paid by a shareholder	$ –	$ 187,556
Deferred charges applied to issue costs	187,556	–
Issue costs paid by a shareholder	269,153	–
Fair value assigned to broker warrants included in share issue costs	62,583	–

Notes to the Consolidated Financial Statements

Year ended March 31, 2010 and 2009

1. Description of business and continuing operations

GINSMS Inc. (the "Corporation") was incorporated in Alberta under the Canada Business Corporation Act on March 20, 2009. On June 9, 2009, the Corporation acquired 100% of the issued and outstanding common shares of Global Edge Technology Limited (Global) and continues operations through its subsidiary Global. 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.

The principal activity of the Corporation is the provision of inter-operator short message services (SMS). The Corporation completed its initial public offering on December 16, 2009.

2. Acquisition of Global Edge Technology shares

On June 9, 2009, GINSMS acquired all the issued and outstanding shares of Global Edge Technology Limited. (Global) in exchange for the issuance of 31,766,566 shares of the Corporation at a fair value of $4,764,985 with an effective date of April 1, 2009. However, the transaction was considered to be an exchange of ownership interests between related groups and was therefore accounted for assuming continuity of business under Emerging Issues Committee 89 ("EIC 89") – exchanges of ownership interests between enterprises under common control. Consequently under EIC 89, no fair value adjustment was made and the acquisition was reflected at the net book value of Global for a consideration value of $435,075, which was credited to share capital.

EIC 89 also requires that the comparative figures be restated to reflect the financial position and results of operations as if the Corporation had been combined since inception and therefore the financial statements of the combined company presented for prior periods were restated accordingly. The summarized restated March 31, 2009 balance sheet can be summarized as follows:

Current assets	$	445,469
Property and equipment		399,620
Current liabilities		(365,982)
Long-term liabilities		(44,032)
Total net assets acquired	$	435,075

3. Summary of significant accounting policies and basis of presentation The consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts and presentation of assets, liabilities, revenues, expenses and disclosures of contingencies and commitments. Such estimates primarily relate to unsettled transactions and events at the consolidated balance sheets date which are based on information available to management at each financial statement date.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements for current and future periods could be significant.

The consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. Amounts are reported in Canadian dollars unless otherwise indicated.

The following changes in accounting policies and disclosures were adopted prospectively (if applicable), on April 1, 2009 with no restatement of prior periods. No impact to the earnings or cash flows of the Corporation was identified upon adoption.

3. Summary of significant accounting policies and basis of presentation (continued)

(a) New accounting pronouncements

Goodwill and intangible assets

Effective April 1, 2009, the Corporation adopted the CICA Section 3064 "Goodwill and Intangible Assets". This standard, which replaces GAAP section 3062 and 3450, provides guidance relating to the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard did not impact the Corporation's financial statements as it has no goodwill or intangible assets at period end.

Section 3862, financial instruments - disclosures

During June 2009, amendments were made which include enhanced disclosures relating to the fair value of financial instruments and the liquidity risk associated with financial instruments which now require that all financial instruments measured at fair value be categorized into one of three hierarchy levels. The amendments are consistent with recent amendments to financial instruments disclosure under International Financial Reporting Standards and the prospective adoption had no impact on the consolidated financial statements.

EIC 173 – credit risk and the fair value of financial assets and financial liabilities

The Emerging Issues Committee ("EIC") issued this abstract which provides further guidance on the determination of the fair value of financial assets and financial liabilities under Section 3855. EIC 173 concluded that when determining the fair value of financial assets and financial liabilities, the entity should consider its own credit risk as well as the credit risk of the counterparty. The retrospective adoption of this abstract did not have a material impact on the consolidated financial statements.

(b) Principles of consolidation

The consolidated financial statements as at March 31, 2010 and 2009, include the accounts of the Corporation, includes its 100% owned subsidiary, Global Edge Technology Limited and its 100% owned subsidiary Redstone Resources Limited and its 100% owned subsidiary GIN International Limited, together referred to as the "Corporation".

(c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the year on a regular basis and with the information available. Management reviews its estimates including: financial instruments; useful life of property and equipment, recoverability of its accounts receivable and valuation of future income tax assets. Actual results could differ from these estimates.

(d) Revenue recognition

Provided it is probable that the economic benefits will flow to the Corporation and the revenue can be measured reliably, revenue is recognized in the income statement as follows:

- Service fee income is recognized when services are rendered and all significant risks are transferred to the customers.
- Sales incentives or other considerations given to customers are recorded as a reduction of sales in the year 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.

(e) Foreign exchange translation

Functional currency translation

The functional currency of the Corporation is Hong Kong Dollar (HKD) and the HKD is freely convertible into foreign currencies. Accordingly, for financial statement purposes, the consolidated financial statements of the Corporation which are prepared using the functional currency have been translated into Canadian dollars. Assets and liabilities are translated at exchange rates at the balance sheet dates, revenue and expenses are translated at the average exchange rates and capital and statutory capital reserve are translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income but are included in foreign exchange adjustment to other comprehensive income, a component of shareholders' equity.

The exchange rates adopted are as follows:

	2010	2009
End of period exchange rate	**7.6462**	6.2061
Average exchange rate	**7.1562**	6.9776

Transactions in foreign currencies

Transactions in foreign currencies are accounted for in accordance with the temporal method. 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 earnings.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets and financial liabilities are recognized on the balance sheet when the Corporation becomes a party to contractual provisions of the instrument. On initial recognition, all financial instruments must be measured at fair value which is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. Subsequent to initial recognition, the fair value of financial instruments is dependent on the purpose for which the financial assets were acquired or issued, their characteristics and the Corporation's designation of such instruments.

At each reporting date the carrying amounts of financial assets, other than those to be measured at fair value through profit or loss, are assessed to determine whether there is objective, significant evidence of impairment (e.g. a debtor is facing serious financial difficulties, or there is a substantial change in the technological, economic, legal or market environment of the debtor). For equity instruments, a significant or prolonged decline in fair value is objective evidence for a possible impairment. The Corporation has defined criteria for the significance and duration of a decline in fair value as discussed in the categories below.

The standards require that all financial assets be classified as held-for-trading ("HFT"); held-to-maturity ("HTM"); available-for-sale ("AFS") or loans and receivables ("L&R"). Financial liabilities should be classified as HFT or other than HFT liabilities.

Financial assets:

- Held-for-trading - Financial assets required to be classified as HFT are measured at fair value, with gains, losses and transaction costs recorded in net income for the period in which they arise. A financial instrument is designated as HFT on initial recognition if reliable fair values are available, even if that instrument would not otherwise satisfy the definition of HFT ("fair value option"). Held-for-trading securities are usually held for a short term and are actively traded. The Corporation has determined that its cash is classified as HFT. The fair value equals the carrying value.

- Available-for-sale - Financial assets classified as AFS are measured at fair value, except for investments in equity instruments that do not have a quoted market price in an active market, which are measured at cost. Unrealized gains and losses, including the effect of changes in foreign exchange rates, are recognized directly in Other Comprehensive Income, except for impairment losses, which are recognized in net income. Upon de-recognition of the financial asset, the cumulative gains or losses, previously recognized in Accumulated Other Comprehensive Income ("AOCI") are reclassified to net income. Transaction costs are added to the carrying amount of the financial instruments.

3. Summary of significant accounting policies and basis of presentation (continued)

(f) Financial instruments (continued)

Financial assets:

- If an available-for-sale financial asset is impaired, the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the income statement, is reclassified from direct recognition in equity to the income statement. Reversals with respect to equity instruments classified as available-for-sale are not recognized in the income statement. A reversal of an impairment loss on a debt instrument is reversed through the income statement if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss is recognized in income. The Corporation has no financial assets classified as AFS.

- Held-to-maturity - Financial assets that are purchased and have a fixed maturity date and which management has the intention and the ability to hold to maturity are classified as held-to-maturity. These instruments are accounted for at amortized cost using the effective interest rate method and charged to income in the period of amortization. The Corporation currently does not hold any of these assets.

- Loans and receivables - L&R financial assets are measured at amortized cost using the effective interest rate method. Interest income calculated using the effective interest rate method is recorded in financing income in the period in which it arises. Transaction costs are added to the carrying amount of the financial asset. The amount of the impairment loss on loans and receivables is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding expected future credit losses that have not been incurred), discounted at the original effective interest rate of the financial asset.

  The amount of the impairment loss is recognized in profit or loss. If, in a subsequent reporting period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and recognized in profit or loss. The impairment loss on loans and receivables is recorded using allowance accounts. The decision to account for credit risks using an allowance account or by directly reducing the receivable depends on the estimated probability of the loss of receivables. When receivables are assessed as uncollectible the impaired asset is derecognized. The Corporation has determined that its accounts receivable and other are classified as L&R. The fair value equals the carrying value.

Financial liabilities:

- **HFT liabilities** – Financial liabilities are measured at fair value. Gains and losses on liabilities held-for- trading are recognized in earnings. The Corporation currently does not hold any of these liabilities.

- **Other than HFT liabilities** - Financial liabilities classified as other than HFT are measured at amortized cost using the effective interest method. Interest expense is recorded in financing expense in the period. Transaction costs are added to the carrying amount of the financial liability. The Corporation has determined that its accounts payables and accrued liabilities and the due to a shareholder are classified as other than HFT. The fair value equals the carrying value due to the short term of these instruments.

(g) 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 such noncompliance.

(h) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided at rates and periods designed to amortize the costs of the assets over their estimated useful lives using the straight-line method, at the following rates per annum:

Leasehold improvements	25%
Computer equipment and software	25%
Furniture and fixtures	25%

(i) Impairment of long-lived assets

The Corporation recognizes an impairment loss for a long-lived asset to be held and used when events or changes in circumstances cause its carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated by deducting the fair value of the asset from its carrying value. No impairment charge was required in these consolidated financial statements.

(j) 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 year 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' basic salaries and are charged to the income statement 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.

(k) Income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on "temporary differences" (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Corporation's provision for current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

(l) Deferred charges

Deferred charges included costs incurred for the prospectus filing discussed in Note 6, such as agent, legal and audit fees. These costs were applied against share capital as share issue expenses upon completion of the prospectus filing.

(m) Stock-based compensation

The Corporation has a stock option plan as described in Note 6. The Corporation accounts for share purchase options whereby the fair value of options granted to employees and non-employees is charged to operations over the period of vesting. The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option-pricing model. Any consideration paid upon exercise of stock options is credited to share capital. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

(n) Valuation of equity units issued in private placements

The Corporation uses the fair value 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.

(o) Accumulated other comprehensive income (loss)

Comprehensive income (loss) is comprised of net income and other comprehensive income (loss).

Certain gains and losses arising from changes in fair value are temporarily recorded outside the consolidated statement of operations in accumulated comprehensive income as a separate component of shareholders' equity.

Comprehensive income (loss) is comprised of the Corporation's net income and other comprehensive income (loss). Other comprehensive income (loss) may include any unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the currency used for presentation and changes in the fair market value of derivative instruments designated as cash flow hedges, all net of taxes.

(p) Guarantees

In the normal course of business, the Corporation enters into numerous agreements that may contain features that meet the AcG-14 Disclosure of Guarantees definition of a guarantee. AcG-14 defines a guarantee to be a contract (including an indemnity) that contingently requires the Corporation to make payments to a third party based on (i) changes in an underlying that is related to an asset, a liability or an equity of the guaranteed party or (ii) failure of another party to perform under an obligating agreement. Currently, the Corporation has not provided to third parties any such guarantees.

(q) Future accounting changes

i) Business combinations

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements", and 1602 "Non-Controlling Interest", which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Corporation's interim and annual consolidated financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption is permitted, although these sections must be adopted concurrently.

ii) Revenue arrangements with multiple deliverables

In December 2009, the CICA issued Emerging Issue Committee Abstract ("EIC") 175, "Revenue Arrangements with Multiple Deliverables", replacing EIC 142, "Revenue Arrangements with Multiple Deliverables". EIC 175 provides guidance on certain aspects of the accounting for arrangements under which the Corporation will perform multiple revenue-generating activities. Under the new guidance, when vendor specific evidence or third party evidence for deliverables in an arrangement cannot be determined, a best estimate of the selling price is required to separate deliverables and allocate arrangement consideration using the relative selling price methods. EIC 175 also includes new disclosure requirements on how the application of the relative selling price method affects the timing and amount of revenue recognition. EIC 175 is effective prospectively, with retrospective adoption permitted, for revenue arrangements entered into or materially modified in fiscal years beginning on or after January 1, 2011. Early adoption is also permitted; however, early adoption during an interim period requires retrospective application from the beginning of the fiscal year. At this time it is not possible to precisely evaluate the impact of such changes on the financial statements.

iii) Convergence of Canadian GAAP with international financial reporting standards ("IFRS")

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for all Canadian publicly accountable profit oriented enterprises including the Corporation. IFRS will replace Canada's current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of stakeholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year.

4. Property and equipment

2010 **Cost**	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ 5,427	$ 2,441,908	$ 2,803	$ 2,450,138
Adjustment (a)	-	(1,802,116)	-	(1,802,116)
Exchange differences	(1,022)	(120,498)	(528)	(122,048)
Additions	78,471	9,652	-	88,123
Balance, end of year	**$ 82,876**	**$ 528,946**	**$ 2,275**	**$ 614,097**

2010 **Accumulated depreciation**	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ 5,427	$ 2,042,288	$ 2,803	$ 2,050,518
Adjustment (a)	-	(1,802,116)	-	(1,802,116)
Exchange differences	(1,022)	(51,320)	(528)	(52,870)
Amortization for the year	3,493	91,524	-	95,017
Balance, end of year	**7,898**	**280,376**	**$ 2,275**	**290,549**
Net book value, end of year	**$ 74,978**	**$ 248,570**	**$ -**	**$ 323,548**

(a) This amount represents the costs and accumulated amortization of equipment removed from use, effective the end of May 2009.

2009 Cost	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ 4,423	$ 1,662,783	$ 2,285	$ 1,669,491
Exchange differences	1,004	421,653	518	423,175
Additions	-	357,472	-	357,472
Balance, end of year	**$ 5,427**	**$ 2,441,908**	**$ 2,803**	**$ 2,450,138**

2009 Accumulated depreciation	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total
Balance, beginning of year	$ 4,423	$ 1,654,143	$ 2,285	$ 1,660,851
Exchange differences	1,004	376,680	518	378,202
Amortization for the period	-	11,465	-	11,465
Balance, end of year	**5,427**	**2,042,288**	**2,803**	**2,050,518**
Net book value, end of year	**$ -**	**$ 399,620**	**$ -**	**$ 399,620**

5. Due to shareholder

The due to a shareholder in the amount of 165,870 HK$ ($22,439 CDN) – (2009 – 1,163,991 HK$ ($187,556 CDN)) is unsecured, non-interest bearing and has no fixed terms of repayment.

6. Share capital

Authorized:

Unlimited common shares

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

Issued:	March 31, 2010		March 31, 2009	
	Shares	Amount	Shares	Amount
Balance, beginning of year	**$ 31,766,666**	**$ 435,090**	$ -	$ -
Issued on incorporation	–	–	100	15
Issued on acquisition (note 2)	–	–	31,766,566	435,075
Issued on initial public offering	**11,337,500**	**1,700,625**	–	–
Issued to directors and officers	**233,333**	**35,000**	–	–
Value assigned to warrants	–	**(323,119)**	–	–
Share issue costs	–	**(918,210)**	–	–
Balance, end of year	**$ 43,337,499**	**$ 929,386**	$31,766,666	$ 435,090

During the year, the Corporation completed its initial public offering 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. Each full warrant is exercisable for a period of two years at an exercise price of $0.20 per common share and was valued at $323,119 using the Black-Scholes method with the following assumptions: risk free interest rate of 1.12%; expected life of 2 years; annual share price volatility of 85% and an expected dividend yield of 0%.

In connection with the offering, the Corporation issued 907,000 broker warrants exercisable for two years at an exercise price of $0.15 per common share and paid cash commission of $170,058. The Corporation also incurred cash share issue costs totaling $685,569 in connection with the initial public offering. The broker warrants were valued at $62,583 using the Black-Scholes method with the same assumptions as mentioned above and is included in share issue costs.

In addition, during the year, 233,333 shares were issued to directors and officers for gross proceeds of $35,000.

Escrow

The Corporation has 25,760,989 common shares subject to an escrow agreement whereby an additional 15% of the escrowed common shares will be released on each six month anniversary of the listing date of December 18, 2009 unless otherwise permitted by the Exchange.

Share purchase warrants

A summary of warrants as at March 31, 2010 and 2009, and the changes during the years then ended is as follows:

	2010	2009
Balance, beginning of the year	**$ -**	$ -
Fair value of warrants issued in private placements	**323,119**	-
Fair value of warrants issued as agent's compensation	**62,583**	-
Balance, end of year	**$ 385,702**	$ -

As at March 31, 2010, there are 5,668,750 share purchase warrants outstanding, fully exercisable into common shares at a price of $0.20 per share until December 16, 2011. There are also 907,000 broker warrants outstanding, fully exercisable into common shares at a price of $0.15 per share until December 16, 2011.

Stock-based compensation plan

On May 13, 2009, the Corporation has adopted a stock-option plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Corporation and its subsidiaries, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Corporation, for a period of up to ten years from the date of the grant. It is at the discretion of the Board of Directors of the Corporation to determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than ? 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.

7. Related party transactions

The Corporation had the following related party transactions that have been recorded at their exchange amounts for the years ended March 31, 2010 and 2009.

	2010	2009
Consulting fees paid to a director which are included in the issue costs	**$ 11,531**	$ –
Consulting fees paid to a company controlled by a director or a shareholder which are included in the issue cost	**45,520**	27,615
Consulting fees paid to a company controlled by a director or a shareholder which are included in selling, general and administrative	**6,256**	–
Consulting fees paid to a director which are included in Selling, general and administrative	**9,502**	–
Rental expenses paid to subsidiary of the ultimate parent company	**–**	8,600

Included in accounts payable and accrued liabilities is an amount of $7,138 (2009 - $nil) owed to a company controlled by a director.

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

8. Commitments

a) The Corporation entered into a lease agreement with a company owned by a family member of a director of the Corporation for its premises on January 1, 2009 for a period of two years ending on December 31, 2010 with future commitments as follows:

From April 1, 2010 to December 31, 2010 HK$ 180,000 CDN $23,500

b) On December 29, 2009, the Corporation entered into a contract agreement which entailed the acquisition of physical and software assets which consist of an email and a SMS platform coupled with a service agreement which provides for the maintenance of the system for peak performance at all times.

The international SMS and email platform gives the Corporation the ability to deliver our customers' SMS to networks over the world, support multiple interface connection, deliver reports, and web-based administrative user interface. The platform is in fact a gateway which customers will be able to access via the Corporation's portal to send SMS all over the world.

In connection with the agreement, on the acquisition date, a refundable payment of HK$ 3,500,000, was made and is included in deposits in the amount of $457,744 CDN on the balance sheet as at March 31, 2010. The delivery of the assets in connection with the agreement has not occurred to date; as a result, the payment has been treated as a deposit on account.

9. Forgiveness of debt

On December 1, 2008, the Corporation and its ultimate parent company entered into an agreement to waive the advance from ultimate parent company. This transaction resulted in a forgiveness of debt in the amount of $494,439 (HK$3,450,000) due from the parent company.

10. Income taxes

(a) Provision for income taxes

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

		2010	
	Canadian	Foreign	Combined
Loss before income taxes	$ (62,869)	$ 240,276	$ 177,407
Income tax rates	29.00%	16.50%	12.07%
Computed income tax (recovery) expense	(18,232)	39,645	21,413
Increase (decrease) resulting from			
Non-deductible expenses	–	1,164	1,164
Non-taxable income	(10,854)	(61)	(10,915)
Deductible expenses	(49,626)	–	(49,626)
Other	–	3,178	3,178
De-recognition of non-capital losses	78,712	–	78,712
Net non capital loss carried forward	–	(1,097)	(1,097)
Adjustment from prior years	–	(12,597)	(12,597)
Income taxes	**$ –**	**$ 30,232**	**$ 30,232**

		2009	
	Canadian	Foreign	Combined
Loss before income taxes	$ -	$ (187,644)	$ (187,644)
Income tax rates	31.00%	16.50%	16.50%
Computed income tax (recovery) expense	–	(30,961)	(30,961)
Increase (decrease) resulting from			
Non-deductible expenses	–	81,852	81,852
Non-taxable income	–	(57)	(57)
De-recognition of non-capital losses	–	558	558
Net non capital loss carried forward	–	–	–
Adjustment from prior years	–	(3,583)	(3,583)
Valuation allowance of temporary differences	–	692	692
Income taxes	**$ –**	**$ 48,501**	**$ 48,501**

(b) Future income tax assets and liabilities

The Company has operating losses and other costs which are being carried forward and which may be utilized to reduce future taxable income. The components of the net future income tax assets (liabilities) were as follows:

		2010	
	Canadian	Foreign	Combined
Long-term future tax assets			
Non capital losses carried forward	$ 78,712	$ –	$ 78,712
Issue costs	198,506	–	198,506
Unrealized foreign exchange gain	(10,854)	–	(10,854)
Less: valuation allowance	(266,364)	–	(266,364)
	$ –	$ –	$ –
Long term future tax liability			
Property and equipment	$ –	$ 40,436	$ 40,436

		2009	
	Canadian	Foreign	Combined
Long-term future tax assets			
Non capital losses carried forward	$ –	$ 4,014	$ 4,014
Less: Valuation allowance	–	(4,014)	(4,014)
	$ –	$ –	$ –
Long term future tax liability			
Property and equipment	$ –	$ 44,032	$ 44,032

As at March 31, 2010, the Company had income tax losses of $271,472, which arose from the Canadian operation and will expire in 2030. The income tax benefits of these losses have not been recognized on the consolidated financial statements.

11. 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.

The Corporation's financial instruments include cash, accounts receivable, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments, reported on the Corporation's consolidated balance sheets, approximate their fair values due to their short-term nature.

a) Market risk

Cash flow and fair value interest rate risk

As the Corporation has no significant interest-bearing assets, its earnings and operating cash flows are substantially independent of change in market interest rates.

The Corporation's interest rate risk would arise from borrowings, issued at variable rates and expose the Corporation to cash flow interest rate risk. Borrowings issued at a fixed rate expose the Corporation to fair value interest rate risk.

The Corporation is not exposed to such risk.

b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Corporation reduces this risk by dealing with creditworthy financial institutions.

Credit risk also results from the possibility that a loss may occur from the failure of another party to adhere to payment terms. To lower this risk, the Corporation's extension of credit is based on an evaluation of each customer's financial condition. Management reviews the ageing of trade accounts receivable and other factors relating to the risk that customer accounts may not be paid in full and, when appropriate, reduces the carrying value to provide for possible loss. No loss has been charged to earnings in the current year.

The following table summarizes the accounts receivable overdue:

	Total	Due in 30 days	30 days to 90 days over due	Over 90 days over due
2010	$ 313,886	$ 202,305	$ 7,847	$ 103,734
2009	385,198	291,655	28,579	64,964

Of significant individual accounts receivable as at March 31, 2010 approximately 84 percent was owed from four customers (March 31, 2009 – 83 percent was owed from four customers).

The carrying amount of cash and cash equivalents 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 arise in the normal course of business, and all amounts are due within three months or less of the balance sheet date except for $166,982 as of March 31, 2010 and $183,827 as of March 31, 2009 which are due between three and twelve months of the balance sheet date. Income taxes payable are due within twelve months of the balance sheet date.

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

11. Financial risk management (continued)

d) Capital management

Capital is comprised of share capital, warrants, accumulated other comprehensive loss and retained earnings on the balance sheet. 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 analysis. 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.

e) Currency risk

Foreign currency risk is defined as the Company'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 Company is exposed to foreign currency rate variability primarily in relation to certain debt denominated in a foreign currency.

As well, most of its foreign operations are self-sustaining and these foreign operations' functional currencies are in HK $. The Company's related exposure to the foreign currency rates is primarily through cash and other working capital elements of these foreign operations.

The Company also mitigates foreign currency risks, within each segment, by transacting in their functional currency for material procurement, sales contracts and financing activities.

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

	2010		2009	
	Hong Kong Dollars	Cdn Equivalent	Hong Kong Dollars	Cdn Equivalent
Cash	$ 3,313,840	$ 433,397	$ 350,050	$ 56,404
Accounts receivable and other	2,400,040	313,886	2,390,574	385,198
Accounts payable and accrued liabilities	(1,134,622)	(148,390)	(2,089,268)	(336,656)
Due to a shareholder	(165,870)	(22,439)	(1,163,991)	(187,556)

At March 31, 2010, if the Canadian dollar had weakened by 1% against the HK dollar, with all other variables held constant, the after-tax net income for the year would have been $915 (2009 - $11,603) lower and the comprehensive loss would have been $45,867 (2009 - $6,493) lower. Conversely, if the Canadian dollar had strengthened by 1% against the HK dollar, with all other variables held constant, the after-tax net income would have been $915 (2009 - $9150) higher and the comprehensive loss would have been $45,867 (2009 - $6,493) higher.

12. Segmented information

The Corporation's reportable segments are (1) a business holding an investment in Canada; (2) provision of inter-operator short message services in Hong Kong.

The revenues are all generated in Hong Kong. Four major customers have contributed to sales revenue as indicated in the following table:

	2010	2009
Customer A	**$ 187,368**	$ 248,337
Next three top customers		
Customer B	**166,537**	103,101
Customer C	**120,179**	130,084
Customer D	**103,870**	148,912
All other customers	**275,685**	297,787
Sales revenue	**$ 853,639**	$ 928,221

	2010			2009		
	Investment	SMS	Total	Investment	SMS	Total
Sales	$ –	$ 853,639	$ 853,639	$ –	$ 928,221	$ 928,221
Unrealized foreign exchange gain	37,429	–	37,429	–	–	–
Amortization of property and equipment	–	(95,017)	(95,017)	–	(11,465)	(11,465)
Interest income	–	–	–	–	11	11
Forgiveness of debt	–	–	–	–	(494,439)	(494,439)
Provision for income taxes	–	(30,282)	(30,282)	–	(48,501)	(48,501)
Net (loss) earnings	$ (62,869)	$ 210,044	$ 147,175	$ –	$ (236,145)	$(236,145)
Segment assets, excluding the undernoted	$ 17,146	$ 1,635,738	$1,652,884	$ 15	$ 845,089	$ 845,104
Deferred charges	–	–	–	187,556	–	187,556
Total assets	$ 17,146	$ 1,635,738	$1,652,884	$ 187,571	$ 845,089	$ 1,032,660
Total expenditures for additions to property and equipment	$ –	$ 88,123	$ 88,123	$ –	$ 357,472	$ 357,472

Corporate Governance

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The GINSMS Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. Pursuant to National Instrument 41-101 *General Prospectus Requirements,* the Corporation is required to disclose its corporate governance practices in accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), as summarized below.

Board of Directors

The independent directors of the Corporation do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The independent directors may consider holding regularly scheduled meetings (or holding in camera sessions at regular Board meetings) at which non-independent directors and members of management are not in attendance. Currently, the Board of Directors is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish ad hoc committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such ad hoc committee provides the leadership for such committee.

Board Mandate

The Board of Directors has a written mandate. The Board is responsible for the supervision of the management of the Corporation and must act in the best interests of the Corporation and the shareholders. The Board of Directors acts in accordance with the CBCA, the Articles and By-laws of the Corporation, and the specific terms of reference as laid out for each committee and the Board as a whole. The Board has responsibility for adopting a strategic planning process and reviewing and approving the Corporation's strategic plan developed and proposed by management and monitoring performance against the plan. The Board is responsible for developing and adopting policies and procedures to identify the principal business risks of the Corporation and ensure that appropriate systems are implemented to manage these risks. The Board is also responsible for developing and adopting policies and procedures to ensure the integrity of the internal controls and management information systems of the Corporation. Matters that require Board approval include, among other things: (i) the approval of the quarterly and annual financial statements and MD&A; (ii) the issuance of securities; (iii) significant acquisitions; (iv) annual capital and operating plans and budgets; and (v) the compensation of members of the senior management team.

Position Descriptions

The Board of Directors has not, to date, developed formal, documented position descriptions for the Chairman or the Chief Executive Officer. The Board is currently of the view that the respective corporate governance role of the Board and management, as represented by the Chairman and the Chief Executive Officer, are clear and that the limits to the responsibility and authority of the Chairman and the Chief Executive Officer are reasonably well understood and therefore the Board has not developed written position descriptions for the Chairman or the Chief Executive Officer.

Currently, the Corporation has no written description for its committee chair positions; however, there is an informal understanding as to what the roles and responsibilities of each committee chair position are, and both the Board and each committee delineates those roles and responsibilities as deemed necessary.

Compensation

The Corporation's compensation committee (the "Compensation Committee") determines the Corporation's compensation policies and guidelines for supervisory and management roles and determines all forms of compensation for key officers and directors.

Other Board Committees

The Corporation has established the Audit Committee and the Compensation Committee. There are no other committees of the Board of Directors.

Audit Committee

Under National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Corporation is required to have an audit committee.

Mandate

The primary function of the audit committee (the **"Audit Committee"**) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and recommend to the Board with respect to the compensation of the Corporation's external auditors.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and\ senior management and the Board.

Composition

The composition of the Audit Committee shall be as required under the policies of the TSX Venture Exchange. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Audit Committee shall be appointed initially by the Board and subsequently appointed or re-appointed following each annual shareholders' meeting, provided that any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Audit Committee upon ceasing to be a member of the Board.

Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board. The Board shall appoint the Chairman of the Audit Committee. The role of the Chairman is to act as leader of the Committee to manage and co-ordinate the meetings and activities of the Audit Committee and to oversee the execution by the Audit Committee of its duties and responsibilities. If the Chairman of the Audit Committee is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by the Audit Committee to preside.

Meetings

The Audit Committee meets at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with management and the external auditors in separate sessions. The Chairman may call additional meetings as required. In addition, a meeting may be called by the Board Chairman, the President or any member of the Audit Committee.

Management & Board of Directors

The Board of Directors is currently comprised of five members, of which Paul Law, Benedict Leung and Leo Ho are the independent directors of the Corporation. Mr. Law, Mr. Leung and Mr. Ho have no ongoing interest or relationship with the Corporation other than serving as directors. Mr. Richard is also the Corporate Secretary of the Corporation, and therefore is not independent.

The Board of Directors is responsible for determining whether a director is an independent director. Jonathan Lai is not an independent director because of his position as Chairman of the Corporation. NI 58-101 suggests that the Board of Directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director's independent judgment. The Board of Directors is comprised of a majority of independent directors.

The following directors of the Corporation are directors and officers of other reporting issuers:

Name Reporting	Issuer	Stock Exchange
Paul Fung Yuen Law	Boyuan Construction Group Inc.	TSX
Benedict Leung	Red Dragon Resources Corp. Manor Global Inc.	TSXV NEX

The Board

Man Kon (Jonathan) Lai – Director and Chairman

Mr. Jonathan Lai, 33, is primarily responsible for the Corporation's strategic management in the area of sales and marketing. He graduated from Monash University in Australia with a Bachelors Degree in Business Management on November 23, 2000 and a Masters Degree in Business Systems on November 16, 2003. Mr. Lai has been a director of GIN International Limited since January 2009. From May 24, 2005 to December 27, 2007, Mr. Lai was a director of HyComm Wireless Limited, a Hong Kong listed company and former shareholder of GET. Since January 2006, Mr. Lai has been a director of Piotio Property Management Co. Ltd.

Raymond Richard - Director and Corporate Secretary

Mr. Raymond Richard, 67, has been the President of his consulting firm, Consultants G. Raymond Richard Inc., since 1986. As such, he has acquired wide-range experience in dealing with, advising, and representing a large variety of publicly traded corporate clients and in the preparation of comprehensive financially-oriented corporate reports intended for North American rating agencies and financial institutions. Currently, Mr. Richard also acts as a representative for a U.S. based manufacturer and distributor of monitoring and compressed air treatment systems and related equipment for the telecommunication and manufacturing industries. Previously, as Vice-President and Director of Canadian Bond Rating Service (now part of Standard & Poor's) for a period of more than ten years, Mr. Richard helped in the development of the first bond rating service in Canada. Mr. Richard holds a Bachelors of Science Degree and a Masters of Commercial Science Degree from Laval University. From December 1, 2001 to March 31, 2003, Mr. Richard was a director of T S Telecom Limited, a company that was listed on the TSX Venture Exchange.

Benedict Leung - Director

Mr. Benedict Leung, 49, has been the Chief Financial Officer since May 2005 of Red Dragon Resource Group, a company listed on the TSX Venture Exchange and is also a Managing Partner of Leung & Corporation Chartered Accountants in Toronto. Mr. Leung is currently the President of the Richmond Hill and Markham Chinese Business Association. Mr. Leung holds a Bachelors Degree in Commerce from the University of Toronto and received his Chartered Accountant designation in Ontario in 1990. He can speak fluent Chinese and English and he frequently travels between Canada and China for business development. Mr. Leung was a Director and Chief Financial Officer of iFuture.com Inc. between April 2003 and April 2005, and the Chief Financial Officer of MTW Solution Online Inc. from March 2000 to July 2000, which were both listed on the TSX Venture Exchange.

Paul Law - Director

Mr. Paul Law, 47, has been CFO of Boyuan Construction Group since April 2009. Mr. Law was a Vice President of Prudential Bache Securities (HK) Limited between 2000 and 2001 and had served as Chief Financial Officer - Asia, and subsequently General Manager responsible for Greater China operations of National Australia Bank from 1997 to 1999. Prior to that, Mr. Law had served in various managerial roles at Standard Chartered Bank and Citibank in Hong Kong, and an auditor for Price Waterhouse both in Hong Kong and Canada. Mr. Law holds a Masters of Business Administrations Degree in Finance from the University of British Columbia and a Bachelor Degree in Chemical Engineering, with a minor in Finance from McGill University. He is a member of the Institute of Chartered Accountants of British Columbia, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Securities Institute and the Hong Kong Government District Consultative Board. Mr. Law is fluent in both English and Chinese.

Chun Tat (Leo) Ho - Director

Mr. Leo Ho, 35, has over nine years of experience in sales and marketing. He is currently an executive of World Express International (HK) Limited, a Hong Kong based logistics company. From July to November 2008, Mr. Ho was a senior marketing officer for Honest Motors Limited. Prior thereto, he was the marketing executive for TVBI Company Limited from December 2004 to July 2008. Mr. Ho was an account manager for Zone Limited from December 2003 to December 2004. Mr. Ho holds a Bachelor of Science Degree in Mathematics and Economics from the University of Alberta.

The Executive Management Team

Kwok Kin Suen - Chief Executive Officer

Mr. Kin Suen, 32, is in charge of corporate strategy, planning and management for the Corporation. Mr. Suen has 14 years experience in internet technology and the telecommunication industry. He has been an executive director of Beijing Lead Cash Solution Co., Ltd., a company involved in the manufacturing of ATM machines, since October 2007. From October 2006 to June 2008, Mr. Suen was the chief executive officer of Nextech China Limited, a technology company. Prior thereto, Mr. Suen was a chief executive officer for Memo Technology Limited from October 2003 to December 2005. Mr. Suen is a fellow member of The Hong Kong Institute of Directors and Hong Kong United of Youth. It is expected that Mr. Suen will devote more than 50% of his time to the business and affairs of the Corporate Group and will be an employee of the Corporate Group.

Koon Fai (Faith) Lam - Chief Financial Officer

Mr. Faith Lam, 40, commenced his career in auditing in 1994 by joining Deloitte & Touche in Hong Kong. From 1999 to 2008, Mr. Lam was the financial controller of Hycomm Wireless Limited, a company listed on the main board of the Stock Exchange of Hong Kong that was a former shareholder of GET. Mr. Lam graduated from Hong Kong Shue Yan College majoring in Accounting. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Since January 2008, Mr. Lam has been acting as the financial controller of China Heath Care Corporation, a company listed on the OTCBB.

Corporate & Shareholder Information

Exchange:	TSX Venture Exchange
Share symbol:	GOK
Common shares outstanding:	43,337,497
Fiscal Year-end:	March 31
Transfer Agent:	Equity Transfer & Trust Company, Calgary, Alberta
Auditors:	Horwath Leebosh Appel LLP, Westmount, Quebec
Reporting Jurisdictions:	Alberta, British Columbia, Ontario
Corporate Web Site:	www.ginsms.com

OFFICES

Head Office:	14/F Hang Lung House, 184 - 192 Queen's Road Central, Hong Kong.
Registered Office:	1200, 425 - 1st Street S.W. Calgary, Alberta T2P 3L8

RELATED COMPANIES

Global Edge Technology Ltd
Redstone Resources Ltd.
GIN International Ltd.

ANNUAL GENERAL MEETING

DATE:	Thursday, September 30, 2010
TIME:	11:30 AM Eastern Time
LOCATION:	Toronto Board of Trade Brule Room First Canadian Place 77 Adelaide St. Toronto, Ontario M5X 1C1


TMX
European Indices
Index
Last
Change
FTSE 100
5,228.37
10.76
6.66
TMX
19.09
0.02


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