



GINSMS INC.

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

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

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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 12 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, general business, economic, competitive, political and social uncertainties, the actual results of operations, competition and changes in the industry in which the Corporation operates and other risks factors discussed in the section entitled "Risk Factors" in the Corporation's long form prospectus dated November 12, 2009 which is available under the Corporation's issuer profile on SEDAR at www.sedar.com. 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, 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.

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 GSM¹ (the current most popular cellular phone standard), CDMA², PHS³ 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	
	<u>GINSMS</u>	<u>GET (1)</u>	<u>GINSMS</u>	<u>GET (1)</u>
	2010	2009	2010	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 intra-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 March 31, 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:

<u>Expense</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Three months ended March 31		Year ended March 31	
	\$	\$	\$	\$
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

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)				GINSMS			
	Fiscal 2009				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)

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

<u>Quarterly Traffic & Revenue for the Year Ended March 31, 2010</u>				
	<u>Q1/09</u>	<u>Q2/09</u>	<u>Q3/09</u>	<u>Q4/10</u>
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
<u>Quarterly Traffic & Revenue for the Year Ended March 31, 2009</u>				
	<u>Q1/08</u>	<u>Q2/08</u>	<u>Q3/08</u>	<u>Q4/09</u>
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, 2010, 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.

	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>Three months ended</u>		<u>12 months ended</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
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)				GINSMS			
	Fiscal 2009				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

	<u>For the year ended 2010</u>			<u>For the year ended 2009</u>		
	<u>Investment</u>	<u>SMS</u>	<u>Total</u>	<u>Investments</u>	<u>SMS</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
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.

	<u>2010</u>	<u>2009</u>
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 $\frac{1}{4}$ of the options vesting in any three month period. The number of common shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares.

If an optionee ceases to be a director, officer, or technical consultant of the Corporation for any reason other than death, the optionee may exercise options at the date of the cessation of the optionee's position or arrangement with the Corporation, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.