

GINSMS INC.

Interim Consolidated Financial Statements

(Unaudited)

Three and six month period ended September 30, 2009

Unaudited Interim Consolidated Financial Statements

Responsibility for interim consolidated financial statements

GINSMS Inc.. interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. These interim statements are presented on the accrual basis of accounting. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Corporation is responsible for both the integrity and objectivity of the interim consolidated financial statements, management is satisfied that these interim consolidated financial statements have been fairly presented.

Auditor involvement

The auditor of GINSMS Inc. has not performed a review of the unaudited interim consolidated financial statements for the three and six month periods ended September 30, 2009 and 2008.

GINSMS INC.**Interim Consolidated Balance Sheets
(Unaudited)**

As at,	September 30, 2009	March 31, 2009 (Restated Note 2)
Assets		
Current		
Cash	\$ 84,223	\$ 56,419
Accounts receivable	292,468	385,198
Prepaid expenses	3,821	3,867
Income taxes receivable	18,230	
	398,742	445,484
Deferred charges	439,709	187,556
Property and equipment (note 4)	303,240	399,620
	\$ 1,141,691	\$ 1,032,660

Liabilities**Current**

Accounts payable and accrued liabilities	\$ 158,494	\$ 336,656
Due to a shareholder	439,709	187,556
Income taxes payable	-	29,326
	598,203	553,538
Future income tax liability	41,463	44,032
	639,666	597,570

Shareholders' Equity

Share capital (note 5)	435,090	435,090
Accumulated comprehensive loss	(62,024)	-
Retained earnings	128,959	-
	502,025	435,090
	\$ 1,141,691	\$ 1,032,660

**Commitments (note 7)
Subsequent event (note 9)**

On behalf of the Board:

_____, Director

_____, Director

GINSMS INC.**Consolidated Statements of Operations and Retained Earnings
(Unaudited)**

	Three month period ended September 30		Six month period ended September 30	
	2009	2008	2009	2008
		(Restated Note 2)		(Restated Note 2)
Revenue	\$ 208,541	\$ 221,981	\$ 412,796	\$ 426,621
Cost of sales	(61,718)	(86,389)	(166,882)	(177,072)
	146,823	135,592	245,914	249,549
Expenses				
Selling, general and administrative	38,810	59,003	79,218	105,728
Amortization	23,070	1,004	47,574	2,009
	61,880	60,007	126,792	107,737
Net income before income taxes	84,943	75,585	119,122	141,812
Income tax expense				
Current	(13,155)	2,300	(13,155)	4,316
Future	3,318	-	3,318	-
	(9,837)	2,300	(9,837)	4,316
Net income for the period	94,780	73,285	128,959	137,496
Retained earnings (deficit), beginning of period	34,179	(366,868)	-	(431,079)
Retained earnings (deficit), end of period	\$ 128,959	\$ (293,583)	\$ 128,959	\$ (293,583)
Net earnings per share				
Basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares outstanding				
Basic and diluted	31,766,666	31,766,666	31,766,666	31,766,666

**Consolidated Statements of Comprehensive Income and Accumulated Comprehensive Loss
(Unaudited)**

	Three month period ended September 30		Six month period ended September 30	
	2009	2008	2009	2008
		(Restated Note 2)		(Restated Note 2)
Comprehensive income				
Net income for the period	\$ 94,780	\$ 73,285	\$ 128,959	\$ 137,496
Other comprehensive (loss), net of tax				
Foreign currency translation adjustment	(29,166)	29,219	(62,024)	14,763
Comprehensive income	65,614	102,504	66,935	152,259
Accumulated other comprehensive (loss)				
Balance, beginning of period	(32,858)	(182,019)	-	(167,563)
Other comprehensive (loss)	(29,166)	29,219	(62,024)	14,763
Total accumulated other comprehensive (loss)	\$ (62,024)	\$ (152,800)	\$ (62,024)	\$ (152,800)

GINSMS INC.**Consolidated Statements of Cash Flows
(Unaudited)**

	Three month period ended September 30		Six month period ended September 30	
	2009	2008 (Restated Note 2)	2009	2008 (Restated Note 2)
Operating activities				
Net income for the period	\$ 94,780	\$ 73,285	\$ 128,959	\$ 137,496
Item not affecting cash				
Future income tax expense	3,318	-	3,318	-
Amortization	23,070	1,004	47,574	2,009
	121,168	74,289	179,851	139,505
Changes in non-cash working capital				
Accounts receivable	(28,345)	(52,987)	44,157	(44,339)
Prepaid expenses	16,651	(100,608)	(479)	(100,608)
Deferred charges	(93,083)	-	(252,153)	-
Accounts payable and accrued liabilities	(39,786)	53,215	(139,762)	34,640
Income taxes receivable	(18,991)	-	(18,991)	-
Income taxes payable	(9,861)	2,300	(26,557)	4,316
	(52,247)	(23,791)	(213,934)	33,514
Financing activity				
Advance from shareholder	93,083	-	252,153	-
Investing activity				
Advance to ultimate holding company	-	-	-	(42,995)
Purchase of property and equipment	(1,511)	-	(1,511)	-
	(1,511)	-	(1,511)	(42,995)
Effect of exchange rate changes on cash	(4,709)	5,554	(8,904)	2,547
Increase (decrease) in cash	34,616	(18,237)	27,804	(6,934)
Cash, beginning of period	49,607	123,627	56,419	112,324
Cash, end of period	\$ 84,223	\$ 105,390	\$ 84,223	\$ 105,390
Supplemental cash flow information				
Cash interest paid	\$ -	\$ -	\$ -	\$ -
Cash taxes paid	28,851	-	45,548	-

GINSMS INC.

Notes to the Interim Consolidated Financial Statements

Six month period ended September 30, 2009 (Unaudited)

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.

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		390,620
Current liabilities		(365,982)
Long-term liabilities		(44,032)
<hr/>		
Total net assets acquired	\$	435,075

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

3. Summary of significant accounting policies and basis of presentation

The interim 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 results of operations and cash flow for the three and six months ended September 30, 2009 are not necessarily indicative of the results of operations or cash flows to be expected for the year ending March 31, 2010.

The interim 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.

The disclosures provided below are incremental to those included with the annual audited consolidated financial statements. Certain information and disclosures normally required to be included in the notes to the annual audited consolidated financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, the interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements and the notes thereto for the year ended March 31, 2009.

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.

(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.

(b) Financial statement presentation

These consolidated financial statements are prepared by management using accounting principles generally accepted in Canada and are reported in Canadian dollars unless otherwise indicated.

(c) Principles of consolidation

The consolidated financial statements as at September 30, 2009 and March 31, 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".

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

3. Summary of significant accounting policies and basis of presentation (continued)**(d) General standards of financial statement presentation**

Section 1400 *General Standards of Financial Statement Presentation* provides additional guidance related to management's assessment of the Corporation's ability to continue as a going concern.

(e) 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 and recoverability of its accounts receivable. Actual results could differ from these estimates.

(f) 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.

(g) 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.

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.

3. Summary of significant accounting policies and basis of presentation (continued)**(h) 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 and cash equivalents are 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.

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.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

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

- **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 advance from ultimate parent company 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 are classified as other than HFT. The fair value equals the carrying value.

(i) Capital disclosures

Section 1535 *Capital Disclosures* establishes standards for disclosing information about an entity's 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.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

3. Summary of significant accounting policies and basis of presentation (continued)**(j) 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%
Equipment	25%
Furniture and fixtures	25%

(k) 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.

(l) 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.

(m) Stock-based compensation

The Corporation has a stock option plan as described in Note 5). 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.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

3. Summary of significant accounting policies and basis of presentation (continued)**(n) Deferred charges**

Deferred charges include initial costs incurred for the prospectus filing discussed in Note 9, such as agent, legal and audit fees. These costs will be applied against share capital as share issue expenses upon completion of the prospectus filing or expensed if the prospectus filing is not completed.

(o) 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.

(p) 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.

(q) 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.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

3. Summary of significant accounting policies and basis of presentation (continued)**(r) Future accounting changes (continued)****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) 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. The Corporation is currently reviewing the standards and evaluating the impact of adopting IFRS.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

4. Property and equipment

2010					
Cost	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total	
Balance, beginning of period	\$ 5,427	\$ 2,441,908	\$ 2,803	\$ 2,450,138	
Adjustment (a)	-	(1,802,116)	-	(1,802,116)	
Exchange differences	(709)	(83,614)	(366)	(84,689)	
Additions	-	1,511	-	1,511	
Balance, end of period	\$ 4,718	\$ 557,689	\$ 2,437	\$ 564,844	

2010					
Accumulated depreciation	Leasehold improvements	Computer equipment and software	Furniture and fixtures	Total	
Balance, beginning of period	\$ 5,427	\$ 2,042,288	\$ 2,803	\$ 2,050,518	
Adjustment (a)	-	(1,802,116)	-	(1,802,116)	
Exchange differences	(709)	(33,297)	(366)	(34,372)	
Amortization for the period	-	47,574	-	47,574	
Balance, end of period	4,718	254,449	\$ 2,437	261,604	
Net book value, end of period	\$ -	\$ 303,240	\$ -	\$ 303,240	

(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	

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

5. Share capital**Authorized:**

Unlimited common shares

Unlimited preferred shares, non-voting, non-participating, non-cumulative dividends, redeemable and retractable

Issued:

Share capital	September 30, 2009		March 31, 2009	
	Shares	Amount	Shares	Amount
Issued and fully paid ordinary shares				
Balance, beginning of period	31,766,666	\$ 435,090	-	\$ -
Issued on incorporation	-	-	100	15
Issued on acquisition (note 2)	-	-	31,766,566	435,075
Balance, end of period	31,766,666	\$ 435,090	31,766,666	\$ 435,090

Pursuant to the Exchange rules, a total of 28,623,321 shares will be deposited into escrow. The escrowed shares shall not be released unless the listing of the Corporation's shares is completed by the Corporation and are subject to the approval of regulatory authorities. On the listing date, 10% of the original number of shares may be released with an additional 15% every six months thereafter.

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 $\frac{1}{4}$ 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.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

6. 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.

Additional information in respect of the Corporation's risks may be found in the Annual Information Form and Management Discussion and Analysis.

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 arises from borrowings, which are 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. As of September 30, 2009 approximately 34 percent of accounts receivable were ninety days or more over due.

Of significant individual accounts receivable as at September 30, 2009 approximately 78 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.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

6. Financial risk management (continued)**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 \$144,371 as of September 30, 2009 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.

d) Capital management

Capital is comprised of share capital, accumulated other comprehensive loss and deficit 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. As the Corporation is part of a larger Corporation, the Corporation's sources of additional capital and policies for distribution of excess capital may also be affected by the Corporation's capital management objectives.

The Corporation manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analyses. The capital is generally used for defraying the administrative expenses in promoting the objectives of the Corporation. The Corporation is not subject to either internally or externally imposed capital requirements.

7. Commitments

The Corporation entered into a lease agreement with a subsidiary 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, 2009 to March 31, 2010	HK\$ 240,000	CDN \$38,672
From April 1, 2010 to December 31, 2010	HK\$ 180,000	CDN \$29,000

The Corporation also paid September 30, 2009 – \$nil (March 31, 2009 - \$8,600) of rental expenses to a subsidiary of the ultimate parent company.

8. Related party transactions

The Corporation had the following related party transactions that have been recorded at their exchange amounts for the six month period ended September 30, 2009 and period from incorporation to March 31, 2009. Consulting fees were paid to companies controlled by directors and officers in the amount of \$8,691, (March 31, 2009 - \$27,615). These consulting fees are reflected in deferred charges.

GINSMS INC.**Notes to the Interim Consolidated Financial Statements**

Six month period ended September 30, 2009 (Unaudited)

9. Subsequent event

The Corporation is in the process of filing a prospectus with the Ontario, Alberta and British Columbia Securities Commissions offering to the public units that are comprised of one common share and one-half of one common share purchase warrant at \$0.15, with arm's length parties, for a minimum of 8,000,000 units for an amount of \$1,200,000 and up to a maximum of 13,500,000 units for an amount of \$2,025,000. Each whole common share purchase warrant shall permit the holder thereof to purchase one common share at an exercise price of \$0.20 per common share for a period of twenty-four months from the closing date. The Corporation will issue to the agent, brokers warrants entitling the Agent to purchase that number of common shares that is equal to 8% of the aggregate number of Common share sold pursuant to the Offering. Each Broker Warrant will be exercisable into one Common Share at an exercise price of \$0.15 at any time prior to the date which is twenty-four months from the closing date.

The net minimum proceeds are estimated to be \$1,080,000 after deducting 10% agent's commission of \$120,000. An additional 640,000 broker warrants (8% of total shares issued), entitling the holder to acquire one common share at a price of \$0.15 each for a period of twenty-four months will be issued to the agent.

In accordance with the Black-Scholes pricing model, the Corporation will allocate a value of \$0.09 to the shares \$720,000 and \$0.06 to the fair value of the warrants attached to these shares \$480,000.

The Corporation has estimated the fair value of the agent's warrants at \$0.07 per warrant for a total cost of \$44,800 which will be credited to the other capital.

The cost of the initial public offering including the Agent's commission of 10%, the Agent's corporate finance fee, listing fee, legal fees, audit fees, and printing are estimated to be \$600,000 in the event of the Minimum Offering being completed and \$683,000 in the event of the maximum offering being completed.

In addition to this transaction, officers and directors will subscribe for 233,334 shares for a cash consideration of \$35,000.

The proposed transaction is subject to regulatory approval.