GINSMS INC.

Consolidated Financial Statements
December 31, 2015 and March 31, 2015

To the Shareholders of GINSMS Inc.:

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

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

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

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

March 30, 2016

/s/ "*Joel Siang Hui Chin*"	/s/ *"Kuen Kuen Lau"*
Chief Executive Officer	Director

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GINSMS Inc.:

We have audited the accompanying consolidated financial statements of GINSMS Inc. (the "Corporation") and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statement of comprehensive loss, changes in equity and cash flows for the nine-months ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GINSMS Inc. and its subsidiaries as at December 31, 2015, and its financial performance and its cash flows for the nine-months ended December 31, 2015 in accordance with International Financial Reporting Standards
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Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which describes matter and conditions that indicate the existence of material uncertainties that may cast significant doubt about GINSMS Inc. and its subsidiaries' ability to continue as a going concern.

Other Matters

The consolidated financial statements as at March 31, 2015 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their audit report dated July 22, 2015.

RSM Hong Kong

Certified Public Accountants

March 30, 2016

Hong Kong

GINSMS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015 AND YEAR ENDED MARCH 31, 2015

(In Canadian Dollars)

		Nine months ended December 31, 2015	Year ended March 31, 2015
		$	$
Revenue	7	**3,888,690**	1,906,467
Cost of sales		**(3,459,426)**	(1,861,677)
Gross profit		**429,264**	44,790
Expenses			
Salaries and wages		**(500,667)**	(992,356)
Professional fees		**(536,415)**	(298,943)
Directors' fees		**(40,000)**	(30,000)
General and administrative		**(236,834)**	(238,565)
Allowance for doubtful accounts	16	**(18,056)**	-
Goodwill impairment	13	-	(2,830,364)
Development expenditures impairment	14	-	(164,456)
Intangible assets impairment	15	-	(393,375)
Amortization and depreciation		**(9,791)**	(282,472)
Foreign currency exchange loss		**(134,333)**	(83,584)
Loss from operations		**(1,046,832)**	(5,269,325)
Finance costs			
Interest expenses on other borrowings		**(471,005)**	(199,661)
Finance expense on convertible debentures	21	**(818,364)**	(1,433,226)
Loss before tax		**(2,336,201)**	(6,902,212)
Income tax (expense)/recovery	9	**(95,981)**	126,366
Net loss		**(2,432,182)**	(6,775,846)
Other comprehensive income (loss), net of tax:			
Items that may be reclassified to profit or loss			
Foreign exchange differences arising from translation of foreign currency financial statements		**164,121**	(66,355)
Total comprehensive loss		**(2,268,061)**	(6,842,201)
Net loss attributable to:			
Shareholders		**(2,430,776)**	(6,773,223)
Non-controlling interest		**(1,406)**	(2,623)
		(2,432,182)	(6,775,846)
Total comprehensive income (loss) attributable to:			
Shareholders		**(2,266,643)**	(6,839,488)
Non-controlling interest		**(1,418)**	(2,713)
		(2,268,061)	(6,842,201)
Loss per share	11		
Basic		**(0.03)**	(0.13)
Diluted		**(0.03)**	(0.13)

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

GINSMS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND MARCH 31, 2015

(In Canadian Dollars)

	Note	**December 31, 2015**	March 31, 2015
		$	$
Non-current assets			
Property, plant and equipment	12	**53,156**	70,809
Goodwill	13	**-**	-
Development expenditures	14	**576,986**	606,044
Intangible assets	15	-	-
		630,142	676,853
Current assets			
Accounts receivable	16	**1,536,894**	781,552
Other receivables, prepayments and deposits		**136,588**	109,062
Bank and cash balances		**310,805**	515,208
		1,984,287	1,405,822
Current liabilities			
Accounts payable and accrued liabilities	17	**1,844,293**	1,160,432
Advance from a related party	19	**556,370**	-
Promissory note payable	20	**400,000**	400,000
Convertible debentures	21	-	8,290,903
Current tax liabilities		**89,885**	-
		2,890,548	9,851,335
Net current liabilities		**(906,261)**	(8,445,513)
Total assets less current liabilities		**(276,119)**	(7,768,660)
Non-current liabilities			
Loans from related parties	22	**2,943,129**	2,293,970
Deferred tax liability	9	**3,321**	1,145
		2,946,450	2,295,115
NET LIABILITIES		**(3,222,569)**	(10,063,775)
EQUITY			
Share capital	23	**10,484,429**	1,339,386
Reserves	24	-	131,995
Equity component of convertible debentures	21	-	35,776
Deficit		**(13,889,187)**	(11,590,406)
Accumulated other comprehensive income		**187,496**	23,363
Total deficiency attributable to equity shareholders of the Corporation		**(3,217,262)**	(10,059,886)
Non-controlling interests		**(5,307)**	(3,889)
TOTAL DEFICIENCY		**(3,222,569)**	(10,063,775)

Approved on behalf of the board

/s/ "Joel Slang Hul Chin"	*/s/ "Kuen Kuen Lau"*
Director	Director

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

GINSMS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015 AND YEAR ENDED MARCH 31, 2015

(In Canadian Dollars)

	Attributable to equity shareholders of the Corporation							
	Share capital	Reserves	Equity component of convertible debentures	Deficit	Accumulated other comprehensive income/(loss)	Total	Non-controlling interest	Total deficit
	$	$	$	$	$	$	$	$
Balance April 1, 2014	1,339,386	429,431	35,776	(5,114,619)	89,628	(3,220,398)	(1,176)	(3,221,574)
Loss for the year	-	-	-	(6,773,223)	-	(6,773,223)	(2,623)	(6,775,846)
Adjustment of fair value of options	-	(297,436)	-	297,436	-	-	-	-
Other comprehensive income	-	-	-	-	(66,265)	(66,265)	(90)	(66,355)
Balance March 31, 2015	1,339,386	131,995	35,776	(11,590,406)	23,363	(10,059,886)	(3,889)	(10,063,775)
Loss for the period	-	-	-	(2,430,776)	-	(2,430,776)	(1,406)	(2,432,182)
Conversion of convertible debenture into common shares	9,145,043	-	(35,776)	-	-	9,109,267	-	9,109,267
Cancellation of options	-	(131,995)	-	131,995	-	-	-	-
Other comprehensive income	-	-	-	-	164,133	164,133	(12)	164,121
Balance December 31, 2015	10,484,429	-	-	(13,889,187)	187,496	(3,217,262)	(5,307)	(3,222,569)

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

GINSMS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015 AND YEAR ENDED MARCH 31, 2015

(In Canadian Dollars)

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
OPERATING ACTIVITIES		
Net loss	**(2,432,182)**	(6,775,846)
Current tax expense	**93,411**	-
Deferred tax expense/(recovery)	**2,570**	(127,100)
Interest expenses	**471,005**	199,661
Foreign currency exchange loss	**134,333**	83,584
Suspended projects impairment	**-**	144,945
Goodwill impairment	-	2,830,364
Development expenditures impairment	-	164,456
Intangible assets impairment	-	393,375
Accretion on convertible debentures	**818,364**	1,433,226
Depreciation of property, plant and equipment	**37,273**	48,778
Amortization of intangible assets	**-**	268,531
Amortization of development expenditures	**86,571**	172,104
Allowance for doubtful accounts	**18,056**	-
Changes in non-cash working capital items:		
Accounts receivable	**(804,245)**	(471,040)
Other receivables, prepayments and deposits	**(31,697)**	(8,445)
Accounts payable and accrued liabilities	**752,083**	475,332
Income tax paid	**(4,963)**	-
Net cash used in operating activities	**(859,421)**	(1,168,075)
FINANCING ACTIVITIES		
Advance from a related party	**680,248**	-
Repayment of advance from a related party	**(102,994)**	-
Loans from related parties	**287,373**	2,417,973
Repayment of loans from related parties	**-**	(732,248)
Net cash generated from financing activities	**864,627**	1,685,725
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(19,628)**	(9,060)
Development expenditures	**(47,036)**	(154,130)
Net cash used in investing activities	**(66,664)**	(163,190)
Effect of exchange rate changes on cash held in foreign currencies	**(142,945)**	45,439
(Decrease)/increase in cash	**(204,403)**	399,899
Cash, beginning of period	**515,208**	115,309
Cash, end of period	**310,805**	515,208

(In Canadian Dollars)

1. GENERAL INFORMATION

GINSMS Inc. (the "Corporation") was incorporated in Alberta under the Canada Business Corporations Act on March 20, 2009. The address of its registered office is Suite 3000, 700 - 9th Avenue S.W., Calgary, Alberta, T2P 3V4. The Corporation's shares trade on the TSX Venture Exchange ("TSXV").

The Corporation is an investment holding company. The principal activities of its subsidiaries are set out in note 27 to the consolidated financial statements.

In the opinion of the directors of the Corporation, at December 31, 2015, Xinhua Mobile Limited ("Xinhua Mobile"), a company incorporated in the Cayman Islands, is the immediate parent; Xinhua Holdings Limited ("Xinhua Holdings"), a company incorporated in the Cayman Islands, is the ultimate parent.

Xinhua Holdings' securities are listed on Tokyo Stock Exchange's Second Section (9399).

On September 28, 2012, the Corporation completed an arm's length share purchase agreement with lnphosoft Pte. Ltd. ("lPL"), a private corporation governed by the laws of Singapore, to acquire all of the issued and outstanding shares of IPL's wholly owned subsidiary, lnphosoft Group Pte. Ltd ("Inphosoft Group") which wholly owns the subsidiaries of lnphosoft Technology Sdn Bhd, lnphosoft Malaysia Sdn Bhd, lnphosoft Singapore Pte Ltd., and owns 99% of PT lnphosoft Indonesia.

The principal activities of the Corporation are as follows:

a. Provision of messaging service ("Messaging Service")

The Corporation, through its subsidiary, GIN International Limited in Hong Kong, was originally involved in the provision of inter-operator short message services ("IOSMS"). On March 27, 2014, the Corporation launched its cloud-based application-to-peer ("A2P") messaging service ("A2P Service"). On September 12, 2014, the Corporation discontinued its IOSMS service to focus on the A2P Service. Through the provision of A2P Service, the Corporation enables the mobile application developers, short message service ("SMS") gateway, enterprises and financial institution to deliver SMS worldwide without any upfront capital investment through the use of the Corporation's rich application programming interface.

b. Provision of software products and services ("Software Products and Services")

The Corporation operates its Software Products and Services business through Inphosoft Group Pte Ltd. ("Inphosoft"), its wholly-owned subsidiary. Inphosoft is headquartered in Singapore with subsidiaries in Malaysia and Indonesia. The activities of Inphosoft consist of providing software products and services with a focus in the following areas:

i. Provision of products and solutions to mobile operators in the areas 3G/4G mobile data value-added services like mobile entertainment and mobile advertising.
ii. Provision of mobile application development services.
iii. Provision of support and maintenance services to customers that have purchased its products and solutions.

Software Products and Services revenues are primarily derived from customers in Singapore, Malaysia and Indonesia.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations.

Amounts are reported in Canadian dollars unless otherwise indicated.

The Corporation has faced considerable competition in its existing principal activities, and the profitability of the businesses has been affected. The Corporation incurred a loss of $2,432,182 for the nine months ended December 31, 2015. Additionally, as at December 31, 2015, the Corporation had net current liabilities and net liabilities of $906,261 and $3,222,569 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Corporation's ability to continue as a going concern. Therefore, the Corporation may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Corporation confirms to adopt the going concern basis in preparing its consolidated financial statements. Management has instituted plans to address these matters:

a. The liquidity risk is mitigated. Firstly, the promissory note holder has agreed to extend the due date of the promissory note payable of $400,000 to March 31, 2017. A simple interest of 12% per annum shall be charged and interest shall accrue effective April 1, 2016. Secondly, for the interest-bearing loans financed by related parties of $2,943,129, the related parties have confirmed with the Corporation that they will not call the loans in the next twelve months from the period ended December 31, 2015.

b. The Corporation intends to expand its A2P Service customer base by directly marketing the service to more countries in Northeast Asia. The Corporation shall also offer additional value-added services on its A2P cloud messaging platform to service the needs of a wider range of customers. This is expected to increase the number of customers in countries the Corporation operates including Singapore, Indonesia and Malaysia.

c. The Corporation has entered into an agreement with its immediate parent Xinhua Mobile for an unsecured revolving credit facility of up to US$1 million ("Credit Facility"). All outstanding principal amount under the Credit Facility shall bear interest at a rate of 28% per annum compounded on a daily basis. Any amount drawn under the Credit Facility on or before June 30, 2016 shall be repaid in full on June 30, 2017 together with all interest accrued; and any amount drawn after June 30, 2016 shall be repaid in full on December 31, 2017, together with all interest accrued. The Corporation will be able to make draws under the Credit Facility at any time on or before December 31, 2016, subject to the prior consent of Xinhua Mobile, and all repayments are to be made in cash. As at March 30, 2016, US$150,000 has been drawn down under the Credit Facility.

Should the Corporation be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Corporation's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

In current period, the Corporation has adopted all the new and revised IFRSs issued that are relevant to its operations and effective for its accounting period beginning on April 1, 2015.

Amendment to IAS 16 and IAS 38 (Annual Improvements to IFRSs 2010–2012 Cycle)
The amendment clarifies how the gross carrying amount and the accumulated depreciation / amortisation are treated where an entity uses the revaluation model. As the Corporation does not use the revaluation model, there was no effect on its consolidated financial statements.

Amendments to IAS 19, Defined Benefit Plans: Employee Contributions
The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In particular, contributions that are independent of the number of years of service can be recognised as a reduction in the service cost in the period in which the related service is rendered (instead of attributing them to the periods of service). As the Corporation has no post-employment benefit plans requiring employees or third parties to meet some of the cost of the plan, the amendments had no effect on the Corporation’s consolidated financial statements.

Amendment to IAS 24 (Annual Improvements to IFRSs 2010-2012 Cycle)
The amendment clarifies how payments to entities providing key management personnel services are to be disclosed. This amendment had no effect on the Corporation’s consolidated financial statements.

Amendment to IFRS 3 (Annual Improvements to IFRSs 2011-2013 Cycle)
The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of any joint arrangement in the financial statements of the joint arrangement itself. This had no effect on the Corporation’s consolidated financial statements.

Amendment to IFRS 8 (Annual Improvements to IFRSs 2010-2012 Cycle)
The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications had no effect on the Corporation’s consolidated financial statements.

Amendment to IFRS 13 (Annual Improvements to IFRSs 2011-2013 Cycle)
The amendment clarifies that the portfolio exception in IFRS 13 - allowing an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis - applies to all contracts (including non-financial) within the scope of IAS 39 / IFRS 9. This had no effect on the Corporation’s consolidated financial statements.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

(b) Accounting Standards issued but not yet effective

The International Accounting Standards Board has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretations and amendments issued which the Corporation reasonably expects to be applicable at a future date. The Corporation intended to adopt these standards when they become effective. The Corporation is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Lease[4]
Amendments to IAS 1	Disclosure Initiative[2]
Amendments to IAS 7	Disclosure Initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after a date to be determined. Early adoption is permitted.
4 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Corporation and its subsidiaries. Subsidiaries are entities over which the Corporation has control. The Corporation controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Corporation has power over an entity when the Corporation has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Corporation considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Corporation. Subsidiaries are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealized profits are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Corporation. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income (loss) as an allocation of profit or loss and total comprehensive income (loss) between the non-controlling shareholders and owners of the Corporation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Corporation and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Corporation's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognized in consolidated profit or loss as a gain on bargain purchase which is attributed to the Corporation.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(b) **Business combination and goodwill**

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) **Foreign currency translation**

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars ("CDN"), which is the Corporation's functional and presentation currency.

The primary functional currencies of its subsidiaries are the Hong Kong Dollar ("HKD") and the Singapore Dollar ("SGD"). These currencies are freely convertible into foreign currencies.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognized in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Corporation's presentation currency are translated into the Corporation's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (cont'd)

(iii) Translation on consolidation (cont'd)

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The useful life and residual value are as follows for each class of assets:

	Useful life	Residual value
Leasehold improvements	3-5 years	Nil
Computer equipment and software	3-5 years	Nil
Furniture and fixtures	3-5 years	Nil

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Operating leases

Leases that do not substantially transfer to the Corporation all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognized as an expense on a straight-line basis over the lease term.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Development expenditures and intangible assets

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

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

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

Following initial recognition of the development expenditure as an intangible asset, it is carried at cost less accumulated amortization and any accumulated impairment losses. Amortization of the intangible asset begins when development is complete and the asset is available for use. Development expenditures that are not available for use are not amortized.

Development expenditures have a finite useful life of five years and are amortized over the period of expected sales from the related project on a straight line basis. Intangible assets are amortized over a useful life of two to five years on a straight-line basis.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets are derecognized when the contractual rights to receive cash flows from the assets expire; the Corporation transfers substantially all the risks and rewards of ownership of the assets; or the Corporation neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income (loss) is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets

Financial assets are recognized and derecognized on a trade date basis where the purchase or sale of an financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

The Corporation classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically trade and other receivables, bank balances and cash are classified in this category.

(i) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Corporation's cash management are also included as a component of cash and cash equivalents.

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(l) **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) **Compound financial instruments**

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

Transaction costs that relate to the issue of the convertible debentures are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the terms of the convertible debentures using the effective interest method.

(n) **Trade and other payables**

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) **Equity instruments**

Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

(p) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably.

Service fee income is recognised when services are rendered and all significant risks are transferred to the customers.

Sales incentives or other consideration given to customers are recorded as a reduction of sales in the period that they are incurred.

Interest income is recognized on a time-proportion basis using the effective interest method.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (cont'd)

With respect to contracts for the Software Products and Services, when the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract are recognized as revenue and expenses, respectively, by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method).

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

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

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

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

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

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(q) **Employee benefits (cont'd)**

The Corporation operates various post-employment schemes, i.e. defined contribution pension plans.

(i) Pension obligations

The Corporation contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Corporation and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Corporation to the funds.

(ii) Termination benefits

Termination benefits are recognized at the earlier of the dates when the Corporation can no longer withdraw the offer of those benefits, and when the Corporation recognizes restructuring costs and involves the payment of termination benefits.

(r) **Share-based payments**

The Corporation issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value is determined using the Black-Scholes options pricing model with assumptions for risk-free interest rate, dividend yields, expected volatilities of share prices, forfeiture rate and the expected life of the equity instrument. On the grant date, the fair value of the options granted is determined and recognized over the period during which the related equity instruments vest, as compensation expense, with a corresponding increase in reserves. The cumulative expense is recognized at each reporting date based on the Corporation's estimate of the number of equity instruments that will ultimately vest. No expense is recognized for equity instruments that do not ultimately vest.

(s) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Corporation that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Borrowing costs (cont'd)

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognized in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income (loss) or directly in equity, in which case the deferred tax is also recognised in other comprehensive income (loss) or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset / cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset / cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(v) Impairment of financial assets

At the end of each reporting period, the Corporation assesses whether its financial assets are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the group of financial asset(s) have been affected.

In addition, for trade receivables that are assessed not to be impaired individually, the Corporation assesses them collectively for impairment, based on the Corporation's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortized cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortized cost of the financial asset would have been had the impairment not been recognized at the date the impairment is reversed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Corporation has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Corporation's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the controlling shareholder at a level sufficient to finance the working capital requirements of the Corporation. Details are explained in note 2 to the consolidated financial statements.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) **Impairment of goodwill and intangible assets**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Corporation to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

The Corporation's management has performed its annual goodwill impairment testing by preparing the forecasted profit or loss account and cashflow of the cash-generating unit and noted the recoverable amount of the goodwill and intangible assets was below its carrying value, and accordingly was considered impaired and the remaining amount of goodwill and intangible assets was written off.

(b) **Recoverability of development expenditures**

During the year, the Corporation reconsidered the recoverability of development expenditures, which are included in its consolidated statement of financial position as at December 31, 2015 in the amount of $576,986 (March 31, 2015: $606,044). The software development projects continue to progress in a very satisfactory manner, and customer reaction has reconfirmed the Corporation's previous estimates of anticipated revenues from the project. Detailed sensitivity analysis has been carried out and the Corporation is confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if future market activity indicates that such adjustments are appropriate.

(c) **Allowance for doubtful accounts**

The Corporation makes an allowance for doubtful accounts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each customer. The identification of allowance for doubtful accounts and bad debts, in particular of a loss event, requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and bad debt expenses in the year in which such estimate has been changed. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

As at December 31, 2015, accumulated allowance for doubtful accounts amounted to $18,349 (March 31, 2015: Nil).

6. FINANCIAL RISK MANAGEMENT

The Corporation's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

(a) Foreign currency risk

The Corporation is exposed to foreign currency rate variability primarily in relation to certain assets and liabilities denominated in foreign currencies such as United States Dollars ("USD"). However, the Corporation has no material exposure to foreign currency risk as most of its foreign operations are self-sustaining and these foreign operations' functional currencies are in HKD and SGD. The Corporation is mainly exposed to the effects of fluctuation in SGD and USD.

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

The Corporation currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Corporation monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The following presents the carrying amounts of the financial instruments that are denominated in the currencies:

	At December 31, 2015						
	CDN	SGD	HKD	USD	Euro	Others	Total
	$	$	$	$	$	$	$
Bank and cash balances	722	45,801	9,190	229,027	1,689	24,376	310,805
Trade receivables	2,404	235,026	-	1,091,250	107,116	17,133	1,452,929
Other receivables and deposits	-	15,485	112	-	-	6,767	22,364
Accounts payable and accrued liabilities	(81,719)	(167,896)	(210,518)	(1,172,720)	(5,997)	(54,035)	(1,692,885)
Advance from a related company	-	-	(556,370)	-	-	-	(556,370)
Promissory note payable	(400,000)	-	-	-	-	-	(400,000)
Loan from related parties	-	(1,000,198)	(1,633,405)	(309,526)	-	-	(2,943,129)

	At March 31, 2015						
	CDN	SGD	HKD	USD	Euro	Others	Total
	$	$	$	$	$	$	$
Bank and cash balance	345	34,521	333,404	120,081	9,981	16,876	515,208
Trade receivables	1,318	18,494	-	647,947	243	16,291	684,293
Other receivables and deposits	-	14,677	13,194	-	-	8,905	36,776
Accounts payable and accrued liabilities	(54,089)	(126,349)	(75,222)	(602,750)	(1,159)	(84,218)	(943,787)
Promissory note payable	(400,000)	-	-	-	-	-	(400,000)
Convertible debenture	(8,290,903)	-	-	-	-	-	(8,290,903)
Loan from related parties	-	(755,698)	(1,292,823)	(245,449)	-	-	(2,293,970)

At December 31, 2015, if the SGD had weakened or strengthened 5 percent against the USD with all other variables held constant, consolidated loss after tax and the equity would have been approximately $10,000 (for the year ended March 31, 2015: $9,000) higher or lower, arising mainly as a result of the foreign exchange loss or gain on net payables denominated in USD.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk arises from accounts receivable and deposits with banks. The Corporation reduces this risk by dealing with creditworthy banks or 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.

The following table summarizes the accounts receivable overdue but not impaired. These relate to a number of independent customers for whom there is no recent history of default:

	Total	Up to 3 months	3 to 6 months	Over 6 months
	$	$	$	$
At December 31, 2015	**1,088,513**	**772,678**	**270,704**	**45,131**
At March 31, 2015	480,204	432,145	38,536	9,523

As at December 31, 2015, approximately 89% of significant individual accounts receivable was owed from four customers (March 31, 2015: 95% was owed from four customers).

The carrying amount of bank balances 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.

The maturity analysis based on contractual undiscounted cash flows of the Corporation's non-derivative financial liabilities is as follows:

	Less than 1 year	Between 1 to 2 years	Total
	$	$	$
At December 31, 2015			
Accounts payable and accrued liabilities	**1,692,885**	**-**	**1,692,885**
Advance from a related party	**556,370**	**-**	**556,370**
Promissory note payable	**400,000**	**-**	**400,000**
Loans from related parties	**-**	**3,741,156**	**3,741,156**
At March 31, 2015			
Accounts payable and accrued liabilities	943,787	-	943,787
Promissory note payable	400,000	-	400,000
Convertible debentures	9,109,267	-	9,109,267
Loans from related parties	-	3,124,548	3,124,548

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

The Corporation has working capital deficiency of $906,261 as at December 31, 2015 (March 31, 2015: $8,445,513). The liquidity risk is mitigated as the Corporation is currently in discussions on extending the due date on the promissory note payable of $400,000 and the interest-bearing loans financed by the related parties of $2,943,129. These related parties have confirmed to the Corporation that they will not call the loans in the next twelve months from the period ended December 31, 2015.

(d) 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 cash flow interest rate risk as at December 31, 2015 and March 31, 2015.

(e) Categories of financial instruments

	At December 31, 2015	At March 31, 2015
	$	$
Financial assets:		
Loan and receivables (including cash and cash equivalents)	**1,786,098**	1,236,277
Financial liabilities:		
Financial liabilities at amortized costs	**5,592,384**	11,928,660

(f) Fair values

The carrying amounts of the Corporation's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(g) Capital management

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

The Corporation manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio 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. There have been no changes in the Corporation's capital management policies for the nine-months ended December 31, 2015 and for the year ended March 31, 2015.

7. REVENEUE

An analysis of the Corporation's revenue is as follows:

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Service income	**3,872,259**	1,878,951
Accounting fee income	**13,048**	-
Miscellaneous income	**3,383**	27,516
	3,888,690	1,906,467

8. SEGMENT INFORMATION

The Corporation's reportable segments are (1) provision of Messaging Service ("MS") and (2) Software Products and Services ("SPS"). They are managed separately because each business requires different technology and marketing strategies. In addition, the Corporation has corporate expenses, assets and liabilities, and such information is included in the "unallocated" column.

The accounting policies of the segments are the same as those described in note 4 to the consolidated financial statements.

(a) Revenue by customers

The revenues are primarily generated in Hong Kong, United States, and Singapore dollars. Six major customers have contributed to sales revenue for the period ended December 31, 2015 and year ended March 31, 2015 as indicated in the following table.

	Nine months ended December 31, 2015		Year ended March 31,2015	
	$	**% of total revenue**	$	% of total revenue
Customer A	**1,541,256**	**39.6**	571,354	30.0
Next five top customers				
Customer B	**713,375**	**18.3**	2,611	0.1
Customer C	**543,441**	**14.0**	119,802	6.3
Customer D	**390,340**	**10.0**	-	-
Customer E	**270,061**	**6.9**	551,458	28.9
Customer F	**48,592**	**1.2**	6,055	0.3
All other customers	**381,625**	**10.0**	655,187	34.4
	3,888,690	**100.0**	1,906,467	100.0

8. **SEGMENT INFORMATION (CONT'D)**

(b) **Revenue by geographical location**

	Nine months ended December 31, 2015		Year ended March 31,2015	
	$	**% of total revenue**	$	% of total revenue
Singapore	**2,283,942**	**58.8**	895,528	47.0
India	**713,375**	**18.3**	2,611	0.1
Other Asia countries	**166,539**	**4.3**	252,724	13.3
Europe	**123,137**	**3.2**	554,244	29.1
United States	**552,740**	**14.2**	120,517	6.3
Other regions	**48,957**	**1.2**	80,843	4.2
	3,888,690	**100.0**	1,906,467	100.0

(c) **Total assets by geographical location**

	Nine months ended December 31, 2015		Year ended March 31,2015	
	$	**% of total revenue**	$	% of total revenue
Canada	**33,697**	**1.3**	5,482	0.3
Hong Kong & China	**1,360,033**	**52.0**	1,322,085	63.5
Singapore	**940,490**	**36.0**	561,245	26.9
Malaysia	**50,704**	**1.9**	36,831	1.8
Indonesia	**229,505**	**8.8**	157,032	7.5
	2,614,429	**100.0**	2,082,675	100.0

(d) **Financial information by business segments**

	MS	**SPS**	**Unallocated**	**Total**
	$	**$**	**$**	**$**
Nine-months ended December 31, 2015				
Revenue	**3,069,374**	**819,316**	**-**	**3,888,690**
Intersegment revenue	**-**	**115,828**	**-**	**115,828**
Amortization and depreciation	**375**	**123,380**	**89**	**123,844**
Interest income	**4**	**30**	**-**	**34**
Interest and finance expenses	**259,971**	**211,034**	**818,364**	**1,289,369**
Income tax expense	**-**	**95,981**	**-**	**95,981**
Segment losses	**(45,159)**	**(1,082,895)**	**(1,304,128)**	**(2,432,182)**
Additions to segment non-current assets	**-**	**66,664**	**-**	**66,664**
As at December 31, 2015				
Segment assets	**1,360,033**	**1,220,699**	**33,697**	**2,614,429**
Segment liabilities	**(3,467,382)**	**(1,769,000)**	**(600,616)**	**(5,836,998)**

8. SEGMENT INFORMATION (CONT'D)

(d) Financial information by business segments (cont'd)

	MS	SPS	Unallocated	Total
	$	$	$	$
Year ended March 31, 2015				
Revenue	1,152,433	754,034	-	1,906,467
Intersegment revenue	-	136,697	-	136,697
Amortization and depreciation	1,247	488,047	119	489,413
Interest income	3	36	-	39
Interest and finance expenses	102,600	97,061	1,433,226	1,632,887
Income tax credit	-	(126,366)	-	(126,366)
Segment losses	(185,325)	(1,553,985)	(5,036,536)	(6,775,846)
Other material non-cash items:				
Goodwill impairment	-	2,830,364	-	2,830,364
Intangible assets impairment	-	393,375	-	393,375
Development expenditure impairment	-	164,456	-	164,456
Additions to segment non-current assets	-	163,190	-	163,190
As at March 31, 2015				
Segment assets	1,322,085	755,108	5,482	2,082,675
Segment liabilities	(1,610,523)	(1,691,973)	(8,843,954)	(12,146,450)

The totals of above items disclosed in the segment information are the same as the consolidated totals.

9. INCOME TAX EXPENSE/(RECOVERY)

(a) Income tax has been recognized in profit or loss as following:

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Current tax		
Provision for the year	**618**	734
Under-provision in prior years	**92,793**	-
	93,411	734
Deferred tax	**2,570**	(127,100)
	95,981	(126,366)

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Corporation operates, based on existing legislation, interpretation and practices in respect thereof.

9. INCOME TAX EXPENSE/(RECOVERY) (CONT'D)

(b) The reconciliation between the income tax expense/(recovery) and the product of loss before tax multiplied by the combined Canadian and foreign rates is as follows:

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Loss before tax	**(2,336,201)**	(6,902,212)
Income tax rate	**25%**	25%
Computed income tax benefit	**(584,050)**	(1,725,553)
Effects of tax rate in different countries	**55,056**	89,426
Increase (decrease) resulting from:		
Non-taxable income	**(1,010)**	(2,057)
Non-deductible expenses	**169,311**	1,276,119
Tax credits	**(9,210)**	(175,828)
Other	**2,584**	(107)
Change in unrecognized temporary differences	**370,507**	411,634
Under-provision in prior year	**92,793**	-
Income tax expense/(recovery)	**95,981**	(126,366)

(c) **Deferred tax assets and liabilities**

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

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Long-term deferred tax assets:		
Non-capital loss carried forward	**1,377,764**	1,310,000
Capital allowance	**14**	13,000
Timing difference of depreciation and amortization	**(849)**	66,000
Issue costs	**(1,215)**	(2,000)
Less: Unrecognized temporary differences	**(1,375,714)**	(1,387,000)
	-	-
Long-term deferred tax liability:		
Property, plant and equipment	**3,321**	1,145

As of December 31, 2015, the Corporation had income tax losses of $2,351,000, which arose from the Canadian jurisdiction and which will expire as follows; $271,000 in 2030, $329,000 in 2031, $338,000 in 2032, $527,000 in 2033, $395,000 in 2034, $194,000 in 2035 and $297,000 in 2036. The Corporation also had income tax losses of $3,634,000 and unutilized capital allowance of $5,000 which arose from its subsidiaries' jurisdictions. The income tax benefits of these losses have not been recognized on the consolidated financial statements.

10. EMPLOYEE BENEFITS EXPENSE

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Director's fee	**40,000**	30,000
Employee benefits expense (including key management personnel):		
Salaries, bonuses and allowances (Note)	**871,957**	1,342,032
Equity-settled share-based payments	**-**	-
Retirement benefit scheme contributions	**95,190**	118,783
	967,147	1,460,815
	1,007,147	1,490,815

Note: Included expenses of $47,036 and $419,444 (March 31, 2015: $154,130 and $314,329) capitalized in development expenditures and recognized in cost of sales respectively.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Loss		
Loss for the purpose of calculating basic and diluted loss per share	**(2,430,776)**	(6,773,223)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**84,330,860**	51,537,499

The effect of the potential dilutive convertible debenture and share options are anti-dilutive for the nine-months ended December 31, 2015 and the year ended March 31, 2015.

12. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software
	$
Cost	
At April 1, 2014	154,149
Additions	9,060
Exchange differences	9,897
Balance at March 31, 2015 and April 1, 2015	173,106
Additions	19,628
Disposal	(9,894)
Exchange difference	1,099
Balance at December 31, 2015	183,939
Accumulated depreciation	
At April 1, 2014	45,275
Depreciation	48,778
Exchange difference	8,244
At March 31, 2015 and April 1, 2015	102,297
Depreciation	37,273
Disposal	(9,894)
Exchange difference	1,107
Balance at December 31, 2015	130,783
Carrying amount	
As at December 31, 2015	53,156
As at March 31, 2015	70,809

13. GOODWILL

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

The Corporation performs its annual goodwill impairment testing in accordance with its policy as described in note 4(b). The goodwill represents the excess of the consideration on acquisition of Inphosoft Group. The consideration, or purchase price, was computed based on forecasted revenue and profit before income tax of Inphosoft Group for the years from 2013 to 2016. The goodwill and the intangible assets are part of the acquired assets of Inphosoft Group by the Corporation (Note 15) has been allocated to mobile segment.

13. GOODWILL (CONT'D)

However, revenue and profit before income tax of Inphosoft Group for March 31, 2014 and 2015 have not met the forecast. For the year ended March 31, 2015, in the forecast of the Corporation prepared by management, Inphosoft Group was expected to continue to incur net losses through the year ending 2019. Inphosoft Group was forecasted to continue to be in net cash deficit through 2020 which was expected to require funding by loans from related parties. The intangible assets are also subjected to impairment testing. The recoverable amounts of Inphosoft Group have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Corporation estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to Inphosoft Group. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of Inphosoft Group operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Corporation prepared cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3.8%. This rate does not exceed the average long-term growth rate for the relevant markets.

The pre-tax rate used to discount the forecast cash flows from the Corporation's professional products and services business is 21.37%.

The recoverable amount of the goodwill and intangible assets were determined to be below its carrying value at March 31, 2015, and accordingly, the goodwill and intangible assets were considered fully impaired during the year ended March 31, 2015.

14. DEVELOPMENT EXPENDITURES

	Cost	Accumulated amortization	Total
	$	$	$
Balance at April 1, 2014	889,068	(130,390)	758,678
Additions	154,130	-	154,130
Amortization	-	(172,104)	(172,104)
Impairment	(258,680)	94,224	(164,456)
Translation difference	45,131	(15,335)	29,796
Balance at March 31, 2015	829,649	(223,605)	606,044
Additions	47,036	-	47,036
Amortization	-	(86,571)	(86,571)
Translation difference	19,555	(9,078)	10,477
Balance at December 31, 2015	896,240	(319,254)	576,986

Research costs recognized as expense for the nine months ended December 31, 2015 and for the year ended March 31, 2015, are $41,267 and $62,666 respectively.

15. INTANGIBLE ASSETS

	Contracts	Software	Total
	$	$	$
Cost			
Balance at April 1, 2014	444,717	786,750	1,231,467
Impairment	(444,717)	(786,750)	(1,231,467)
Balance at March 31, 2015 and December 31, 2015	-	-	-
Accumulated amortization			
Balance at April 1, 2014	333,536	236,025	569,561
Amortization for the year	111,181	157,350	268,531
Impairment	(444,717)	(393,375)	(838,092)
Balance at March 31, 2015 and December 31, 2015	-	-	-
Carrying amount			
As at March 31, 2015 & December 31, 2015	-	-	-

16. ACCOUNTS RECEIVABLE

	As at December 31, 2015	As at March 31, 2015
	$	$
Trade receivables	**1,471,278**	684,293
Less: Allowance for doubtful accounts	**(18,349)**	-
	1,452,929	684,293
Amounts due from customers on contracts (Note 18)	**83,965**	97,259
Total	**1,536,894**	781,552

As at December 31, 2015, an allowance was made for estimated irrecoverable trade receivables of approximately $18,000 (March 31, 2015: Nil).

Reconciliation of allowance for doubtful account balances:

	As at December 31, 2015	As at March 31, 2015
	$	$
As at beginning of year	**-**	-
Allowance for the nine months ended December 31, 2015 and year ended March 31, 2015	**18,056**	-
Exchange differences	**293**	-
As at end of year	**18,349**	-

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2015	As at March 31, 2015
	$	$
Trade payables	**1,243,544**	546,895
Amounts due to customers on contracts (Note 18)	**93,857**	54,685
Deferred income	**51,489**	130,206
Accrued liabilities and receipt in advance	**455,403**	428,646
Total	**1,844,293**	1,160,432

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

18. AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	As at December 31, 2015	As at March 31, 2015
	$	$
Contract costs incurred plus recognized profits less recognized losses to date	**453,501**	329,352
Less: Progress billings	**(463,393)**	(286,778)
	(9,892)	42,574
Amount due from customers for contract work	**83,965**	97,259
Amount due to customers for contract work	**(93,857)**	(54,685)
	(9,892)	42,574

19. ADVANCE FROM A RELATED PARTY

The advance from an officer is unsecured, interest-free and repayable on demand.

20. PROMISSORY NOTE PAYABLE

	Total
	$
Balance as at April 1, 2014	400,000
Accretion for the year	-
Balance as at March 31, 2015	400,000
Accretion for the year	-
Balance as at December 31, 2015	400,000

20. PROMISSORY NOTE PAYABLE (CONT'D)

For part of the acquisition of Inphosoft Group on September 28, 2012, the Corporation issued a $400,000 non-interest bearing promissory note payable, due on the first year anniversary date of the closing date. The note had an initial present value of $366,523 with accretion recorded at an annual interest rate of 6%. The Corporation started discussions with the note holder on extending the due date on the note payable, but did not conclude the negotiations as at the end of the reporting period. The negotiation concluded after the year end date and the promissory note holder has agreed to extend the due date of the promissory note payable of $400,000 to March 31, 2017. A simple interest of 12% per annum shall be charged and interest shall accrue effective April 1, 2016.

21. CONVERTIBLE DEBENTURES

	Total
	$
Balance as at April 1, 2014	6,857,677
Accretion for the year	1,433,226
Balance as at March 31, 2015	8,290,903
Accretion for the year	818,364
Converted fully into common shares	(9,109,267)
Balance as at December 31, 2015	-

The adjusted face value of the convertible debentures issued as part of the transaction on September 28, 2012 is $9,109,267. The convertible debentures have a due date three years from date of closing (September 28, 2015) and are non-interest bearing, convertible at any time into common shares at $0.10 per share. The value assigned to the conversion option for the convertible debentures is $35,776.

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

On March 31, 2014, IPL, the holder of convertible debentures for a principal amount of $9,109,267 entered into an Escrow Purchase Agreement for the sale of convertible debentures with a principal amount of $6,255,484 (the "Convertible Debentures") to One Heart International Limited ("One Heart") for aggregate consideration of $6,255,484. The transfer of the Convertible Debentures was approved by TSX Venture Exchange ("TSXV") and was completed on December 22, 2014.

On January 15, 2015, One Heart granted an option to Xinhua Mobile to purchase the Convertible Debentures ("Option"). The exercise price of the option is equal to the face value of the Convertible Debentures. Xinhua Mobile exercised the Option on May 1, 2015 and entered into a Convertible Debentures Purchase Agreement with One Heart to purchase the Convertible Debentures for total consideration of $6,255,484. The transaction was completed on September 8, 2015.

On September 24, 2015, Xinhua Mobile and IPL, converted all convertible debentures with an aggregate principal amount of $6,255,484 and $2,853,783 into 62,554,840 and 28,537,830 common shares of the Corporation respectively.

22. LOANS FROM RELATED PARTIES

	Note	**As at December 31, 2015**	As at March 31, 2015
		$	$
Loan from a director	(a)	**2,326,692**	1,791,869
Loan from a director of a subsidiary	(b)	**14,175**	11,546
Loan from a related party	(c)	**602,262**	490,555
Total		**2,943,129**	2,293,970

All above loans from related parties are non-trade nature and unsecured. All related parties have advised the Corporation that they shall not demand payment of the loans before December 31, 2016.

(a) The loans are from the Corporation's director, Mr. Joel Siang Hui Chin, and bear interest at 24% (March 31, 2015: 12% to 24%) per annum (compounded daily based on a 365-day year) and were matured on or before September 30, 2015.

(b) The loan bears interest at 24% (March 31, 2015: 12% to 24%) per annum (compounded daily based on a 365-day year), and was matured on June 12, 2014.

(c) The loan is from IPL, the former holding company of Inphosoft Group Pte Ltd., bears interest at 24% (March 31, 2015: 24%) per annum (compounded daily based on a 365-day year), and has no fixed term of repayment. On September 24, 2015, IPL converted its convertible debentures of the Corporation and becomes a shareholder of the Corporation. A director of the Corporation, Mr. Joel Siang Hui Chin, 2 directors of the Corporation's subsidiaries, Mr. Wang Xianxiang and Mr. Xu Hongwei, each has significant influence over IPL.

23. SHARE CAPITAL

Authorised:
Unlimited common shares

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

Issued:

	Note	**Common shares**	**Nine months ended December 31, 2015 Amount**	Common shares	Year ended March 31, 2015 Amount
			$		**$**
Balance, beginning of year		**51,537,499**	**1,339,386**	51,537,499	1,339,386
Common shares issued as a result of the conversion of convertible debentures	(b)	**91,092,670**	**9,109,267**	-	-
Transfer from equity component of convertible debentures	(b)	-	**35,776**	-	-
Balance, end of year		**142,630,169**	**10,484,429**	51,537,499	1,339,386

23. SHARE CAPITAL (CONT'D)

(a) Transfer of 54.57% shareholding of the Corporation to Xinhua Mobile Limited

On September 8, 2015, Xinhua Mobile completed its previously announced acquisition of 17,815,820 common shares from Mr. Jonathan Lai and Panaco Limited for an aggregate purchase price of $6,235,537 or $0.35 per common share; and of 10,307,500 common shares from One Heart for an aggregate purchase price of $1,546,125 or $0.15 per common share.

(b) Conversion of Convertible Debentures of the Corporation into Common Shares

On September 24, 2015, Xinhua Mobile and IPL converted their convertible debentures with an aggregate principal amount of $6,255,484 and $2,853,783 respectively into 62,554,840 and 28,537,830 common shares of the Corporation (Note 21). After the conversion, Xinhua Mobile, together with its current ownership of 28,123,320 common shares or 54.57% of all issued and outstanding common shares of the Corporation, owns 90,678,160 common shares of the Corporation or 63.58% of all issued and outstanding common shares of the Corporation. IPL owns 28,537,830 common shares of the Corporation or 20.01% of all issued and outstanding common shares of the Corporation.

Following these two transactions, the Corporation became a subsidiary of Xinhua Mobile. Consequently, Xinhua Holdings became ultimate holding company of the Corporation.

24. RESERVES

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

Options granted to Consultants performing investor relations activities contain vesting provisions such that vesting occurs over at least twelve months with no more than 1/4 of the options vesting in any three month period. The number of common shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares.

24. RESERVES (CONT'D)

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

	Exercise Price	Number of options	Reserve balance
	$		$
Balance, April 1, 2014	0.1	800,000	429,431
Fair value adjustment of options		-	(297,436)
Balance, March 31, 2015	0.1	800,000	131,995
Cancellation of options	0.1	(800,000)	(131,995)
Balance, December 31, 2015	N/A	-	-

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

On September 4, 2015, the Corporation announced that Mr. Jonathan Lai resigned as both interim Chief Financial Officer and Director of the Corporation. Mr. Jonathan Lai did not exercise his stock options at the date of the cessation of his roles as interim Chief Financial Officer and Director of the Corporation. Consequently, all the 500,000 stock options of the Corporation granted to Mr. Jonathan Lai were cancelled.

On September 15, 2015, the Corporation announced that it cancelled all 300,000 stock options of the Corporation granted to its two non-executive directors.

As of December 31, 2015, there are no options outstanding.

As of March 31, 2015, the weighted average remaining contractual life for the 800,000 options outstanding to directors and officers is 6.3 years with all options being fully exercisable. All options were fully vested as of March 31, 2015, and no expense was recognized for the nine months ended December 31, 2015 and for the year ended March 31, 2015.

25. COMMITMENTS

The Corporation has lease agreements outstanding for various terms up to May 15, 2018. Payments are to be incurred in SGD, MYR, the CDN equivalent as of December 31, 2015 is a total of $161,032, of which $77,794 is to be incurred within one year of the statement of financial position date and $83,238 after one year and within five years.

26. RELATED PARTY TRANSACTIONS

(a) The Corporation had the following related party transactions for the nine months ended December 31, 2015 and for the year ended March 31, 2015:

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Revenue and accounting fee income from a company controlled by a director	**403,389**	-
Consulting fee paid to a director	**5,811**	12,340
Accounting fee paid to an officer	**22,894**	-
Rent charged by a company controlled by a director	**35,105**	-
Rent charged by a family member of a director	**-**	10,283
Interest charged on loan from a director	**370,691**	78,962
Interest charged on loan from a director of a subsidiary	**2,307**	2,145
Interest charged on loans from related parties	**98,007**	118,547

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

(b) The Corporation had the following related party balances at the end of the reporting period:

	Accounts receivable	Accounts payables and accrued liabilities	Advance payable	Loan payables
	$	$	$	$
As at December 31, 2015				
Directors	**-**	**(40,805)**	**(556,370)**	**(2,326,692)**
A former director	**-**	**(35,021)**	**-**	**-**
An officer	**-**	**(11,454)**	**-**	**-**
A company controlled by a director	**192,924**	**-**	**-**	**-**
Directors of subsidiaries	**-**	**(1,610)**	**-**	**(14,175)**
A related party	**-**	**-**	**-**	**(602,262)**
Ultimate parent	**-**	**(490)**	**-**	**-**
As at March 31, 2015				
Directors	-	(28,224)	-	(1,791,869)
A company controlled by a director	-	(17,178)	-	-
Directors of subsidiaries	-	(1,479)	-	(11,546)
A related party	-	-	-	(490,555)

26. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel compensation

	Nine months ended December 31, 2015	Year ended March 31, 2015
	$	$
Salaries and related costs	**262,554**	331,655
Consulting and accounting fees	**28,705**	-
Contributions to defined mandatory contribution funds	**21,390**	25,431
	312,649	357,086
Directors' fees	**40,000**	30,000
Total	**352,649**	387,086

The consulting fees were paid to a director and an officer, which disclosed separately above.

27. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries as at December 31, 2015 are as follows:

Name	Place of incorporation / registration and operation	Particular of Issued share capital	Percentage of ownership interest / voting power / profit sharing		Principal activities
			Direct	Indirect	
Inphosoft Group Pte Limited	Singapore	1,000,000 ordinary shares of SGD1,614,500	100%	-	Investment holding
Inphosoft Singapore Pte Ltd.	Singapore	300,000 ordinary shares of SGD300,000	-	100%	Provision for project management consultancy services and information technology services and solutions.
GIN International Limited	Hong Kong	100 ordinary shares of HKD100	-	100%	Provision for short message services

28. SUBSEQUENT EVENT

Subsequent to the year end, the note holder and the Corporation have agreed to extend the due date of the promissory note to March 31, 2017 at a simple interest of 12% per annum. Interest shall be effective from April 1, 2016.

29. COMPARATIVE FIRGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

30. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on March 30, 2016.