GINSMS INC.

Condensed Interim Consolidated Financial Statements
Six months period ended June 30, 2023 and 2022
(Unaudited)

To the Shareholders of GINSMS Inc.:

Management is responsible for the preparation and presentation of the accompanying unaudited condensed interim 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 unaudited condensed interim 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.

The auditor of GINSMS Inc. has not performed a review of the unaudited condensed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2023 and 2022.
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August 9, 2023

/s/ "Joel Siang Hui Chin" Chief Executive Officer	/s/ "Paul Fung Yuen Law" Director

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND JUNE 30, 2022 *(Unaudited)*

(In Canadian Dollars)

		(Unaudited) **Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)*** **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
		$	$	**$**	$
Revenue	7	**840,372**	630,880	**1,661,029**	1,356,416
Cost of sales		**(533,953)**	(407,021)	**(1,010,154)**	(861,869)
Gross profit		**306,419**	223,859	**650,875**	494,547
Expenses					
Salaries and wages		**(30,356)**	(7,034)	**(145,329)**	(106,965)
Professional fees		**(63,947)**	(61,040)	**(141,779)**	(133,320)
Directors' fees		**(10,000)**	(10,000)	**(20,000)**	(20,000)
General and administrative		**(62,042)**	(34,700)	**(124,761)**	(58,608)
Depreciation of property, plant and equipment		**(86)**	(1,390)	**(187)**	(2,798)
Depreciation of right-of-use asset		**(11,926)**	(15,397)	**(23,653)**	(31,095)
Foreign currency exchange loss		**(30,796)**	(97,771)	**(23,929)**	(68,371)
		(209,153)	(227,332)	**(479,638)**	(421,157)
Profit/(loss) from operations		**97,266**	(3,473)	**171,237**	73,390
Finance costs					
Interest expenses		**(2,004)**	(722)	**(4,307)**	(1,956)
Profit/(loss) before tax		**95,262**	(4,195)	**166,930**	71,434
Income tax credit/(expense)		**7,175**	(10,954)	**7,175**	(10,954)
Net profit/(loss) for the period		**102,437**	(15,149)	**174,105**	60,480
Other comprehensive income/(loss), net of tax:					
Items that may be reclassified to profit or loss					
Foreign exchange differences on translating of foreign currency financial operations		**36,009**	126,000	**(19,122)**	109,033
Total comprehensive income for the period		**138,446**	110,851	**154,983**	169,513
Net profit/(loss) for the period attributable to:					
Shareholders		**102,211**	(15,848)	**174,533**	59,687
Non-controlling interest		**226**	699	**(428)**	793
		102,437	(15,149)	**174,105**	60,480
Total comprehensive income for the period attributable to:					
Shareholders		**138,481**	109,910	**156,106**	168,425
Non-controlling interest		**(35)**	941	**(1,123)**	1,088
		138,446	110,851	**154,983**	169,513
Earnings/(loss) per share	10				
Basic and Diluted (In Canadian cents)		**0.054**	(0.010)	**0.093**	0.040

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

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2023 AND DECEMBER 31, 2022

(In Canadian Dollars)

	Note	*(Unaudited)* **June 30, 2023**	*(Audited)* December 31, 2022
		$	$
Non-current assets			
Property, plant and equipment	11	**72,303**	61,853
Right-of-use assets	12	**56,203**	75,879
Goodwill	13	**-**	-
		128,506	137,732
Current assets			
Accounts receivable	14	**678,423**	557,495
Deposits and prepayments		**60,889**	61,375
Current tax assets		**177**	199
Bank and cash balances		**223,357**	191,126
		962,846	810,195
Current liabilities			
Accounts payable and accrued liabilities	15	**591,279**	601,456
Advances from related parties	17	**662,242**	647,639
Loans from related parties	19	**1,383,108**	1,372,730
Promissory note payable	18	**580,000**	580,000
Lease liabilities	20	**45,652**	41,445
Current tax liabilities		**-**	7,130
		3,262,281	3,250,400
Net current liabilities		**(2,299,435)**	(2,440,205)
Total assets less current liabilities		**(2,170,929)**	(2,302,473)
Non-current liabilities			
Lease liabilities	20	**(5,421)**	(28,860)
NET LIABILITIES		**(2,176,350)**	(2,331,333)
EQUITY			
Share capital	21	**15,148,160**	15,148,160
Deficit		**(17,610,535)**	(17,785,068)
Accumulated other comprehensive income		**300,756**	319,183
Total deficiency attributable to equity shareholders of the Corporation		**(2,161,619)**	(2,317,725)
Non-controlling interests		**(14,731)**	(13,608)
TOTAL DEFICIENCY		**(2,176,350)**	(2,331,333)

Going concern (Note 2)

Approved on behalf of the board on August 9, 2023

/s/ "Joel Siang Hui Chin"
Director

/s/ "Paul Fung Yuen Law"
Director

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

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND JUNE 30, 2022 *(Unaudited)*

(In Canadian Dollars)

	Attributable to equity shareholders of the Corporation					
	Share capital	Deficit	Accumulated other comprehensive income	Total	Non-controlling interests	Total deficiency
	$	$	$	$	$	$
Balance as at January 1, 2023	15,148,160	(17,785,068)	319,183	(2,317,725)	(13,608)	(2,331,333)
Profit/(loss) for the period	-	174,533	-	174,533	(428)	174,105
Other comprehensive loss	-	-	(18,427)	(18,427)	(695)	(19,122)
Balance as at June 30, 2023	15,148,160	(17,610,535)	300,756	(2,161,619)	(14,731)	(2,176,350)

	Attributable to equity shareholders of the Corporation					
	Share capital	Deficit	Accumulated other comprehensive income	Total	Non-controlling interests	Total deficiency
	$	$	$	$	$	$
Balance as at January 1, 2022	11,415,709	(17,753,423)	361,874	(5,975,840)	(13,404)	(5,989,244)
Profit for the period	-	59,687	-	59,687	793	60,480
Other comprehensive income	-	-	108,738	108,738	295	109,033
Balance as at June 30, 2022	11,415,709	(17,693,736)	470,612	(5,807,415)	(12,316)	(5,819,731)

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

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND JUNE 30, 2022 *(Unaudited)*

(In Canadian Dollars)

	***(Unaudited)* Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)* Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$	**$**	$
OPERATING ACTIVITIES				
Net profit/(loss) before tax	**95,262**	(4,195)	**166,930**	71,434
Lease interest on right-of-use assets	**2,004**	722	**4,307**	1,956
Foreign currency exchange loss	**30,796**	97,771	**23,929**	68,371
Depreciation of property, plant and equipment	**9,635**	7,425	**18,720**	14,474
Depreciation of right-of-use assets	**11,926**	15,397	**23,653**	31,095
Changes in non-cash working capital items:				
Accounts receivable	**(15,229)**	125,725	**(120,928)**	127,144
Other receivables, prepayments and deposits	**1,437**	6,338	**486**	8,800
Accounts payable and accrued liabilities	**(96,345)**	(86,624)	**(10,179)**	(59,866)
Interest on lease liabilities	**(2,004)**	(722)	**(4,307)**	(1,956)
Income tax refund	**75**	38	**(16)**	104
Net cash generated from operating activities	**37,557**	161,875	**102,595**	261,556
FINANCING ACTIVITIES				
Advance from related parties	**204,887**	-	**265,578**	233,180
Repayment of advance from a related party	**(171,790)**	(94,619)	**(255,610)**	(427,585)
Principal elements of lease payments	**(11,716)**	(17,674)	**(22,899)**	(36,463)
Net cash generated/(used in) from financing activities	**21,381**	(112,293)	**(12,931)**	(230,868)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(3,325)**	(16,917)	**(26,482)**	(33,700)
Net cash used in investing activities	**(3,325)**	(16,917)	**(26,482)**	(33,700)
Effect of exchange rate changes on cash held in foreign currencies	**(3,606)**	(13,930)	**(30,951)**	(4,455)
Increase/(decrease) in cash	**52,007**	18,735	**32,231**	(7,467)
Cash, beginning of period	**171,350**	157,739	**191,126**	183,941
Cash, end of period	**223,357**	176,474	**223,357**	176,474

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

(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 are listed on the TSX Venture Exchange ("TSXV").

The Corporation is an investment holding company. The principal activities of its subsidiaries are set out in note 24 to the unaudited condensed interim consolidated financial statements.

In the opinion of the management of the Corporation, Xinhua Mobile Limited ("Xinhua Mobile"), a company incorporated in the Cayman Islands, is the immediate parent; Beat Holdings Limited ("Beat Holdings"), a company incorporated in the Cayman Islands, is the ultimate parent.

Beat Holdings' securities are listed on Tokyo Stock Exchange's Standard Markets (9399).

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. On March 27, 2014, the Corporation launched its cloud-based application-to-peer ("A2P") messaging service ("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 support and maintenance services to customers that have purchased its products and solutions.
ii. Maintain the A2P Cloud platform and develop new features as and when necessary, to support the Corporation's A2P business.
iii. Outsource technical resources to customers for the purpose of software development based on a time and material basis.

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

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements are prepared according to International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (the "IASB").

Amounts are reported in Canadian dollars ("CDN" or "$") unless otherwise indicated.

The Corporation has faced considerable competition in its existing principal activities, and the profitability of the businesses has been affected. As of June 30, 2023, the Corporation had net current liabilities and net liabilities of $2,299,435 and $2,176,350 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 spread of COVID-19 in all relevant jurisdictions has impacted the Corporation's operation and customer base and uncertainty regarding its extent and duration are having a material impact on all aspects of the Corporation's operations. The Corporation confirms to adopt the going concern basis in preparing its unaudited condensed interim consolidated financial statements. Management has instituted plans to address these matters:

(a) The liquidity risk is mitigated as related parties have confirmed with the Corporation that they will not demand settlement of the interest-free loans of $1,001,741 and cash advances of $662,242 until the Corporation is in sound financial position to repay to them. Furthermore, the immediate parent and the promissory note holder have confirmed with the Corporation that they will not demand settlement of the loan of $381,367 and promissory note of $580,000, respectively until the Corporation is in sound financial position to repay to them.

(b) The management will continuously and closely monitor the Corporation's liquidity position and financial performance and implement measures to improve the Corporation cash flows.

As a result, after considering all relevant information, including its actions completed to date and its future plans, the management has concluded that the Corporation is able to continue as a going concern for a period of 12 months from June 30, 2023.

The estimates used by management in reaching this conclusion are based on information available as of the date these financial statements were authorized for issuance and include internally generated cash flow forecasts. Accordingly, actual results could differ from these estimates and resulting variances may be material to management's assessment.

Should the Corporation be unable to continue as a going concern, adjustments would have to be made to the unaudited condensed interim 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. Such adjustments could be material.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies applied in the unaudited condensed interim financial statements are the same as those applied in the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2022. In the current period, the Corporation has adopted all the new and revised IFRSs issued by the ISAB that are relevant to its operations and effective for its accounting year beginning on January 1, 2023 but they do not have a material effect on the Corporation's unaudited condensed interim financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning on January 1, 2023 and earlier application is permitted. The Corporation has not early adopted any of the forthcoming new or amended standards in preparing these unaudited condensed interim financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements as at and for the six months ended June 30, 2023 have been prepared under the historical cost convention.

The preparation of these unaudited condensed interim 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 unaudited condensed interim consolidated financial statements are disclosed in note 5.

The unaudited condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statement for the twelve months ended December 31, 2022 which has been prepared in accordance with IFRS.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Corporation's accounting policies, which are described in note 4, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Critical judgement in applying accounting policies

In the process of applying the accounting policies, the management has made the following judgment that has the most significant effect on the amounts recognised in the unaudited condensed interim consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) **Going concern basis**

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing availability of finance to the Corporation and enhancement of the various strategies to improve the Corporation cash flows. Details are explained in note 2 to the unaudited condensed interim consolidated financial statements.

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 trade receivables**

The management of the Corporation estimates the amount of impairment loss for expected credit losses ("ECL") on trade receivables based on the credit risk of trade receivables. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Corporation in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at June 30, 2023, the carrying amount of trade receivables is $678,423 (net of allowance for doubtful debts of $12,915) (December 31, 2022: $557,495 (net of allowance for doubtful debts of $12,915)).

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 Hong Kong Dollars ("HKD") and Singapore Dollars ("SGD"). The Corporation is mainly exposed to the effects of fluctuation in SGD and USD.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Foreign currency risk (cont'd)

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 June 30, 2023 *(Unaudited)*						
	CDN	SGD	HKD	USD	Euro	Others	Total
	$	$	$	$	$	$	$
Bank and cash balances	8,180	44,489	2,671	58,823	9,070	100,124	223,357
Trade receivables	-	637,109	-	1,837	26,852	12,625	678,423
Deposits	-	-	-	-	27,029	22,566	49,595
Accounts payable and accrued liabilities	(59,324)	(75,996)	(210,144)	(6,776)	(41,888)	(145,002)	(539,130)
Advances from related parties	-	(246,914)	(359,880)	-	-	(55,448)	(662,242)
Promissory note payable	(580,000)	-	-	-	-	-	(580,000)
Loans from related parties	-	(481,458)	-	(901,650)	-	-	(1,383,108)

	At December 31, 2022 *(Audited)*						
	CDN	SGD	HKD	USD	Euro	Others	Total
	$	$	$	$	$	$	$
Bank and cash balances	6,106	38,162	2,804	40,624	241	103,189	191,126
Trade receivables	-	369,750	-	1,956	154,652	31,137	557,495
Deposits	-	-	-	-	26,909	21,789	48,698
Accounts payable and accrued liabilities	(44,753)	(63,085)	(187,955)	(6,724)	(41,302)	(222,378)	(566,197)
Advances from related parties	-	(130,471)	(300,214)	-	-	(216,954)	(647,639)
Promissory note payable	(580,000)	-	-	-	-	-	(580,000)
Loans from related parties	-	(475,993)	-	(896,737)	-	-	(1,372,730)

At June 30, 2023, if the SGD had weakened or strengthened 5 per cent (December 31, 2022: 5 per cent) against USD with all other variables held constant, consolidated profit (December 31, 2022: loss) after tax would have been approximately $25,000 (December 31, 2022: $25,000) lower or higher (December 31, 2022: higher or lower), arising mainly as a result of the foreign exchange loss or profit denominated on net payables denominated in USD.

At June 30, 2023, if the CDN had weakened or strengthened 5 per cent (December 31, 2022: 5 per cent) against USD with all other variables held constant, consolidated profit (December 31, 2022: loss) after tax would have been approximately $19,000 (December 31, 2022: $19,000) lower or higher (December 31, 2022: higher or lower), arising mainly as a result of the foreign exchange loss or gain denominated on net payables denominated in USD.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Corporation's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Corporation considers to have low credit risk.

Trade receivables

Customer credit risk is managed by each business unit subject to the Corporation's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Debtors with balances that are more than 180 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Corporation does not obtain collateral from customers.

The Corporation measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Corporation's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Corporation's different customer bases.

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Corporation's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	(Unaudited)	*(Audited)*
	As at	As at
	June 30, 2023	December 31, 2022
	$	$
At beginning of period / year	**12,915**	-
Allowance for doubtful debt	**-**	12,932
Exchange differences	**-**	(17)
At end of period / year	**12,915**	12,915

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Other financial assets at amortised cost

All of the Corporation's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. These instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(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 and 2 years	Total
	$	$	$
At June 30, 2023 ***(Unaudited)***			
Accounts payable and accrued liabilities	**539,402**	-	**539,402**
Advances from related parties	**662,242**	-	**662,242**
Promissory note payable	**580,000**	-	**580,000**
Loans from related parties	**1,383,108**	-	**1,383,108**
Lease liabilities	**54,485**	**1,151**	**55,636**

	Less than 1 year	Between 1 and 2 years	Total
	$	$	$
At December 31, 2022 *(Audited)*			
Accounts payable and accrued liabilities	566,197	-	566,197
Advances from related parties	647,639	-	647,639
Promissory note payable	580,000	-	580,000
Loans from related parties	1,372,730	-	1,372,730
Lease liabilities	48,395	30,368	78,763

The Corporation has working capital deficiency of $2,299,435 as at June 30, 2023 (December 31, 2022: $2,440,205). The liquidity risk is mitigated as related parties have confirmed with the Corporation that they will not demand settlement of the interest-free loans of $1,001,741 and cash advances of $662,242 until the Corporation is in sound financial position to repay to them. Furthermore, the immediate parent and the promissory note holder have confirmed with the Corporation that they will not demand settlement of the loan of $381,367 and promissory note of $580,000 until the Corporation is in sound financial position to repay to them.

6. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(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 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 June 30, 2023 and December 31, 2022.

(e) **Categories of financial instruments**

	(Unaudited) **As at June 30, 2023**	*(Audited)* As at December 31, 2022
	$	$
Financial assets:		
Financial assets measured at amortised cost	**951,375**	797,319
Financial liabilities:		
Financial liabilities at amortised costs	**3,164,480**	3,166,566

(f) **Fair values**

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

(g) **Capital management**

Capital is comprised of shareholders equity (deficit) on the unaudited condensed interim consolidated 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 external imposed capital requirement for the Corporation is to have a public float of at least 10% of the shares in order to maintain its listing on the TSX Venture Exchange. As at June 30, 2023, 12.51% of the shares were held in public hands.

There have been no changes in the Corporation's capital management policies for the period ended June 30, 2023 and year ended December 31, 2022.

7. REVENUE

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

	(Unaudited) **Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)*** **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$	**$**	$
Revenue from contracts with customers within the scope of IFRS 15				
A2P Messaging Service Income	**314,359**	302,325	**602,736**	680,885
Software Product & Service Income	**520,004**	311,879	**1,046,204**	641,944
	834,363	614,204	**1,648,940**	1,322,829
Other income				
Administrative income from related parties	**6,009**	16,676	**12,089**	33,587
	840,372	630,880	**1,661,029**	1,356,416

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.

8. SEGMENT INFORMATION (CONT'D)

(a) Revenue by customers

The revenues are primarily generated in HKD, USD, and SGD. Six major customers have contributed to sales revenue for the three and six months ended June 30, 2023 and June 30, 2022 as indicated in the following table.

	(Unaudited) **Three months ended June 30, 2023**		*(Unaudited)* Three months ended June 30, 2022	
	$	**% of total revenue**	$	% of total revenue
Customer A	**372,642**	**44.3**	186,582	29.6
Next five top customers				
Customer B	**117,016**	**13.9**	95,933	15.2
Customer C	**103,462**	**12.3**	104,574	16.6
Customer D	**31,095**	**3.7**	46,776	7.4
Customer E	**30,352**	**3.6**	35,151	5.6
Customer F	**26,837**	**3.2**	23,901	3.8
All other customers	**158,968**	**19.0**	137,963	21.8
	840,372	**100.0**	630,880	100.0

	(Unaudited) **Six months ended June 30, 2023**		*(Unaudited)* Six months ended June 30, 2022	
	$	**% of total revenue**	$	% of total revenue
Customer A	**744,605**	**44.8**	392,302	28.9
Next five top customers				
Customer B	**239,871**	**14.4**	188,090	13.9
Customer C	**224,781**	**13.5**	193,798	14.3
Customer D	**82,847**	**5.0**	111,488	8.2
Customer E	**61,739**	**3.7**	64,745	4.8
Customer F	**60,035**	**3.6**	105,945	7.8
All other customers	**247,151**	**15.0**	300,048	22.1
	1,661,029	**100.0**	1,356,416	100.0

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

(b) **Revenue by geographical location**

	***(Unaudited)* Three months ended June 30, 2023**		*(Unaudited)* Three months ended June 30, 2022	
	$	**% of total revenue**	$	% of total revenue
Singapore	**495,667**	**59.0**	288,074	45.7
Indonesia	**110,280**	**13.1**	121,052	19.2
Other Asian countries	**130,200**	**15.5**	84,747	13.4
Europe	**45,215**	**5.4**	64,992	10.3
United States	**57,932**	**6.9**	70,739	11.2
Other regions	**1,078**	**0.1**	1,276	0.2
	840,372	**100.0**	630,880	100.0

	***(Unaudited)* Six months ended June 30, 2023**		*(Unaudited)* Six months ended June 30, 2022	
	$	**% of total revenue**	$	% of total revenue
Singapore	**996,564**	**60.0**	593,109	43.7
Indonesia	**242,703**	**14.6**	231,707	17.1
Other Asia countries	**187,877**	**11.3**	171,082	12.6
Europe	**88,559**	**5.3**	140,138	10.3
United States	**142,884**	**8.6**	217,586	16.0
Other regions	**2,442**	**0.2**	2,794	0.3
	1,661,029	**100.0**	1,356,416	100.0

8. SEGMENT INFORMATION (CONT'D)

(c) Total non-current assets by geographical location

	(Unaudited) **Six months ended June 30, 2023**		*(Audited)* Twelve months ended December 31, 2022	
	$	**% of total non-current assets**	$	% of total non-current assets
Indonesia	**117,051**	**91.1**	125,074	90.8
Other Asian countries	**11,455**	**8.9**	12,658	9.2
	128,506	**100.0**	137,732	100.0

(d) Financial information by business segments

	MS	**SPS**	**Unallocated**	**Total**
	$	**$**	**$**	**$**
Period ended June 30, 2023 ***(Unaudited)***				
Revenue	**602,736**	**1,058,293**	**-**	**1,661,029**
Intersegment revenue	**35,510**	**152,406**	**-**	**187,916**
Amortisation and depreciation	**-**	**42,373**	**-**	**42,373**
Interest income	**189**	**187**	**-**	**376**
Interest and finance expenses	**-**	**4,307**	**-**	**4,307**
Income tax credit	**-**	**(7,175)**	**-**	**(7,175)**
Segment profits/(losses)	**159,824**	**183,162**	**(168,881)**	**174,105**
Additions to segment non-current assets	**-**	**26,482**	**-**	**26,482**
As at June 30, 2023				
Segment assets	**134,207**	**937,191**	**19,954**	**1,091,352**
Segment liabilities	**(436,745)**	**(1,599,732)**	**(1,231,225)**	**(3,267,702)**

	MS	**SPS**	**Unallocated**	**Total**
	$	**$**	**$**	**$**
Period ended June 30, 2022 *(Unaudited)*				
Revenue	680,885	675,531	-	1,356,416
Intersegment revenue	18,209	134,542	-	152,751
Amortisation and depreciation	-	45,569	-	45,569
Interest income	-	102	-	102
Interest and finance expenses	-	1,956	-	1,956
Income tax expense	-	10,954	-	10,954
Segment profits/(losses)	100,899	95,757	(136,176)	60,480
Additions to segment non-current assets	-	33,700	-	33,700
As at June 30, 2022				
Segment assets	233,828	426,004	115,030	774,862
Segment liabilities	(3,288,915)	(660,349)	(2,645,329)	(6,594,593)

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

9. EMPLOYEE BENEFITS EXPENSE

	(Unaudited) **Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)*** **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$	**$**	$
Directors' fees	**10,000**	10,000	**20,000**	20,000
Employee benefits expense (including key management personnel):				
Salaries, bonuses and allowances (Note)	**240,875**	153,387	**583,021**	408,050
Retirement benefit scheme contributions	**63,194**	28,985	**114,429**	60,615
	304,069	182,372	**697,450**	468,665
	314,069	192,372	**717,450**	488,665

Note: Included expenses of $552,120 (Six months ended June 30, 2022: $361,701) recognised in cost of sales.

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following:

	(Unaudited) **Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)*** **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$	**$**	$
Earnings/(loss)				
Earnings/(loss) for the purpose of calculating basic loss per share	**102,211**	(15,848)	**174,533**	59,687
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**187,118,368**	149,793,861	**187,118,368**	149,793,861

The Corporation did not have any dilutive potential ordinary shares during the three and six months ended June 30, 2023 and June 30, 2022.

11. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software
	$
Cost	
At January 1, 2022	175,373
Additions	60,247
Written off	(67,576)
Exchange difference	(5,186)
At December 31, 2022 and January 1, 2023	162,858
Additions	26,482
Exchange difference	6,338
At June 30, 2023	195,678
Accumulated depreciation and impairment	
At January 1, 2022	142,174
Depreciation	30,240
Written off	(67,576)
Exchange difference	(3,833)
At December 31, 2022 and January 1, 2023	101,005
Depreciation	18,720
Exchange difference	3,650
At June 30, 2023	123,375
Carrying amount	
As at June 30, 2023	72,303
As at December 31, 2022	61,853

12. RIGHT-OF-USE ASSETS

	Leased properties
	$
At January 1, 2022	48,777
Addition	92,977
Depreciation	(63,295)
Exchange differences	(2,580)
At 31 December 2022 and January 1, 2023	75,879
Depreciation	(23,653)
Exchange differences	3,977
At June 30, 2023	56,203

Lease liabilities of $51,073 (December 31, 2022: $70,305) are recognised with related right-of-use assets of $56,203 (December 31, 2022: $75,879) as at June 30, 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	(Unaudited) **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$
Depreciation expenses on right-of-use assets	**23,653**	31,095
Short-term lease rental (included in general and administrative expenses)	**10,380**	-
Interest expense on lease liabilities (included in finance cost)	**4,307**	1,956

The Corporation leases an office, for its operations. Lease contract is entered into for fixed term of 2 years (December 31, 2022: 2 to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Corporation applies the definition of a contract and determines the period for which the contract is enforceable.

13. GOODWILL

The goodwill represents the excess of the consideration on acquisition of Inphosoft Group Pte. Limited and its subsidiaries (the “Inphosoft Group”) in prior years. Due to changes in market condition, the recoverable amount of the goodwill was determined to be below its carrying value at March 31, 2015, and accordingly, the goodwill allocated to the Inphosoft Group of $2,830,364 was considered fully impaired during the year ended March 31, 2015.

14. ACCOUNTS RECEIVABLE

	(Unaudited) **As at June 30, 2023**	*(Audited)* As at December 31, 2022
	$	$
Trade receivables	**691,338**	570,410
Less: Allowance for doubtful debts	**(12,915)**	(12,915)
Total	**678,423**	557,495

As at June 30, 2023, an allowance of $12,915 (December 31, 2022: $12,915) was made for ECL on trade receivables.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	(Unaudited) **As at June 30, 2023**	*(Audited)* As at December 31, 2022
	$	$
Trade payables	**22,946**	26,812
Contract liabilities (Note 16)	**26,636**	-
Accrued liabilities and other payable	**541,697**	574,644
Total	**591,279**	601,456

Accrued liabilities consist mainly of accrued staff cost, professional fees and general administration expenses.

16. CONTRACT LIABILITIES

	(Unaudited) **As at June 30, 2023**	*(Audited)* As at December 31, 2022
	$	$
Billings in advance of performance obligations		
- Software products and services	**26,636**	-

16. **CONTRACT LIABILITIES (CONT'D)**

Movements in contract liabilities:

	(Unaudited)	*(Audited)*
	As at June 30, 2023	As at December 31, 2022
	$	$
Balance at beginning of the period / year	**-**	-
Increase in contract liabilities as a result of billing in advance of software products and services	**26,636**	-
Balance at end of the period / year	**26,636**	-

Contract liabilities relating to software products and services are balances due to customers under software products and services. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

17. **ADVANCES FROM RELATED PARTIES**

The balances represent advances from an officer and related companies which are unsecured, interest-free and repayable on demand.

The officer and related companies have confirmed to the Corporation that they will not demand settlement of the advances until the Corporation is in sound financial position to repay to them.

18. **PROMISSORY NOTE PAYABLE**

	(Unaudited)	*(Audited)*
	As at June 30, 2023	As at December 31, 2022
	$	$
Current portion	**580,000**	580,000

The promissory note payable is from Inphosoft Pte. Ltd. ("IPL") (Note 19(a)) and is interest free, unsecured and repayable on demand. IPL has confirmed that it will not demand settlement of the note payable until the Corporation is in sound financial position.

19. LOANS FROM RELATED PARTIES

	Note	***(Unaudited)*** **As at June 30, 2023**	*(Audited)* As at December 31, 2022
		$	$
Current:			
Loan from a related party	(a)	**855,491**	840,432
Loan from immediate parent	(b)	**381,367**	389,798
Loans from a director	(c)	**146,250**	142,500
Total		**1,383,108**	1,372,730

All above loans from related parties are interest-free, non-trade nature, unsecured and repayable on demand.

(a) The loan is from IPL. A director of the Corporation, Mr. Joel Siang Hui Chin, two directors of the Corporation's subsidiaries, Mr. Wang Xianxiang and Mr. Xu Hongwei, each has significant influence over IPL. IPL confirmed to the Corporation that it will not demand settlement of the loan until the Corporation is in sound financial position to repay.

(b) The loan is from Xinhua Mobile, the immediate parent of the Corporation. Xinhua Mobile confirmed to the Corporation that it will not demand settlement of the loan until the Corporation is in sound financial position to repay.

(c) The loans are from the Corporation's director, Mr. Joel Siang Hui Chin who confirmed to the Corporation that he will not demand settlement of the loans until the Corporation is in sound financial position to repay to him.

20. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	(Unaudited)	*(Audited)*	***(Unaudited)***	*(Audited)*
	As at June 30, 2023	As at December 31, 2022	**As at June 30, 2023**	As at December 31, 2022
	$	$	**$**	$
Within one year	**49,945**	48,395	**45,652**	41,445
In the second to fifth years, inclusive	**5,691**	30,368	**5,421**	28,860
	55,636	78,763	**51,073**	70,305
Less: Future finance charges	**(4,563)**	(8,458)	**N/A**	N/A
Present value of lease obligations	**51,073**	70,305	**51,073**	70,305
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(45,652)**	(41,445)
Amount due for settlement after 12 months			**5,421**	28,860

The lease liabilities are denominated in Indonesian Rupiah (December 31, 2022: Indonesian Rupiah).

21. 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	***(Unaudited)*** **Six months ended June 30 ,2023**		*(Audited)* Twelve months ended December 31, 2022	
		Common shares	**Amount**	Common shares	Amount
			$		$
Balance, beginning of period/year		**187,118,368**	**15,148,160**	149,793,861	11,415,709
Issuance of shares	(a)	**-**	**-**	37,324,507	3,732,451
Balance, end of period/year		**187,118,368**	**15,148,160**	187,118,368	15,148,160

(a) On October 17, 2022, pursuant to the debt to equity conversion agreement entered between the Corporation and Mr. Joel Siang Hui Chin, a director of the Corporation, for the repayment, by way of share issuance, of loans from the director amounting to $3,732,451. Following receipt of approval from the TSXV Venture Exchange, the Corporation has issued 37,324,507 common shares of the Corporation at a price of $0.10 per common share on November 14, 2022. For details, please refer to the announcement of the Corporation dated October 17, 2022 and November 15, 2022 respectively.

22. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the unaudited condensed interim consolidated financial statements. The Corporation had the following related party transactions for the three and six months ended June 30, 2023 and June 20, 2022:

	(Unaudited) **Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)*** **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$	**$**	$
Revenue and administrative fee income from companies controlled by immediate parent / a director	**489,666**	282,495	**984,476**	580,385
Administrative fee income from ultimate parent	**6,009**	5,559	**12,088**	11,196
Accounting fee paid to an officer	**2,516**	2,387	**11,997**	9,935

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

	Accounts receivable	Accounts payable and accrued liabilities	Advances payable	Promissory note payable	Loan payables
	$	$	$	$	$
As at June 30, 2023 ***(Unaudited)***					
Directors	-	**(60,000)**	**(505,768)**	-	**(146,250)**
An officer	-	**(1,111)**	-	-	-
Companies controlled by a director	**630,972**	**(6,042)**	**(57,789)**	-	-
A related party	-	-	**(40,361)**	**(580,000)**	**(855,491)**
Immediate parent	-	-	-	-	**(381,367)**
Ultimate parent	**6,043**	-	**(58,324)**	-	-
As at December 31, 2022 *(Audited)*					
Directors	-	(40,000)	(300,215)	-	(142,500)
An officer	-	-	-	-	-
Companies controlled by a director	363,709	(3,911)	(306,009)	-	-
A related party	-	-	(41,415)	(580,000)	(840,432)
Immediate parent	-	-	-	-	(389,798)
Ultimate parent	5,936	-	-	-	-

The amounts due of $67,153 (December 31, 2022: $43,911) included in accounts payable and accrued liabilities are interest-free, unsecured and repayable on demand. For trade receivables from related parties, the amounts due are interest-free, unsecured and were repayable according to trade terms.

22. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel compensation

	(Unaudited) **Three months ended June 30, 2023**	*(Unaudited)* Three months ended June 30, 2022	***(Unaudited)*** **Six months ended June 30, 2023**	*(Unaudited)* Six months ended June 30, 2022
	$	$	**$**	$
Accounting fees	**2,516**	2,387	**11,997**	9,935
Directors' fees	**10,000**	10,000	**20,000**	20,000
Total	**12,516**	12,387	**31,997**	29,935

23. NON-CASH TRANSACTION

On October 17, 2022, pursuant to the debt to equity conversion agreement entered between the Corporation and Mr. Joel Siang Hui Chin, a director of the Corporation agreed for the repayment, by way of share issuance, of loans from the director amounting to $3,732,451. The amount of $3,732,451 was settled by issuance of 37,324,507 common shares of the Corporation at a price of $0.10 per common share.

24. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries as at June 30, 2023 and December 31, 2022 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 / Singapore	1,000,000 ordinary shares of SGD1,614,500	100%	-	Investment holding
Inphosoft Singapore Pte. Limited	Singapore / Singapore	300,000 ordinary shares of SGD300,000	-	100%	Provision for messaging service and outsourcing of technical resources to customers
PT Inphosoft Indonesia	Indonesia / Indonesia	962,500 ordinary shares of Indonesian Rupiahs 962,500,000	-	99%	Provision for messaging service and outsourcing of technical resources to customers
GIN International Limited	Hong Kong / Singapore	100 ordinary shares of HKD100	-	100%	Provision for short message services
Inphosoft Malaysia Sdn. Bhd.	Malaysia / Malaysia	100,000 ordinary Shares of Malaysian Ringgit (“MYR”) 100,000	-	100%	Provision for messaging service and outsourcing of technical resources to customers

As at June 30, 2023, the bank and cash balances of the Corporation’s subsidiary in the Malaysia denominated in MYR amounted to $11,468 (December 31 2022: $28,051) is subject to local exchange control regulations.

25. APPROVAL OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed interim consolidated financial statements were approved and authorised for issue by the Board of Directors on August 9, 2023.