

EARLY WARNING REPORT

(Form 62-103F1)

Required Disclosure Under the Early Warning Requirements

Item 1 — Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares of GINSMS Inc. (the “**Issuer**”).

The address of the head office of the Issuer of the securities is the following:

700 9th Avenue S.W.
Suite 3000
Calgary, Alberta, T2P 3V4
Canada

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. The transaction that triggered the requirement to file this report was an acquisition of common shares of the Issuer by way of a private placement of the Issuer.

Item 2 — Identity of the Acquiror

2.1 State the name and address of the acquiror.

Xinhua Mobile Limited (“**Xinhua Mobile**” or the “**Offeror**”)
Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman,
KY1-1111, Cayman Islands.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On April 10, 2017, the Offeror acquired ownership of 7,163,692 common shares of the Issuer (the “**Purchased Shares**”) by way of a private placement of the Issuer, at a price of C\$0.13 per share, for an aggregate subscription price of C\$931,280 (the “**Transaction**”).

2.3 State the names of any joint actors.

Xinhua Mobile is a holding company wholly-owned by Xinhua Holdings Limited. As a result, Xinhua Holdings Limited is deemed a joint actor of Xinhua Mobile.

Item 3 — Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Xinhua Mobile acquired ownership of 7,163,692 common shares of the Issuer.

Prior to the participation in the private placement, the Offeror had ownership and control of 90,678,160 common shares of the Issuer, representing approximately 63.58% of the issued and outstanding common shares of the Issuer.

Immediately after the closing of the private placement, the Offeror will have ownership and control of 97,841,852 common shares of the Issuer, representing approximately 65.32% of the issued and outstanding common shares of the Issuer.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Offeror acquired ownership of 7,163,692 common shares of the Issuer pursuant to the Transaction.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 — Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Offeror acquired 7,163,692 common shares of the Issuer at a price of C\$0.13 per share, for an aggregate subscription price of C\$931,280.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

The Offeror paid a cash subscription price of C\$0.13 per share, for an aggregate subscription price of C\$931,280.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 — Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

Depending upon circumstances, the Offeror may, from time to time, increase or decrease its ownership of securities of Issuer, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities. Other than as noted above, the Offeror does not currently have any plans or future intentions relating to any of the following:

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

(e) a material change in the present capitalization or dividend policy of the reporting issuer;

(f) a material change in the reporting issuer's business or corporate structure;

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;***
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;***
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;***
- (j) a solicitation of proxies from securityholders; or***
- (k) an action similar to any of those enumerated above.***

Item 6 — Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Offeror entered into a subscription agreement with the Issuer, which provided for the subscription and issuance of 7,163,692 common shares on a private placement basis at a subscription price of C\$0.13. Such subscription agreement does not contain any provisions relating to the holding, disposition, voting support of any securities or any standstill, other than the imposition of a statutory hold period on the subscribed shares.

Item 7 — Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 — Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 — Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: April 11, 2017

Xinhua Mobile Limited

Per: (s) *Lian Yih Hann*

Lian Yih Hann, Chief Executive
Officer