



GINSMS INC.

NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND TWELVE MONTHS ENDED MARCH 31, 2015

Calgary, Alberta, July 22, 2015 – GINSMS Inc. (TSXV: GOK) (the “Company”) has announced its financial results for the fourth quarter ended March 31, 2015.

The complete financial results for GINSMS are available at www.sedar.com. Highlights include:

- Revenue of \$823,548 and \$1,906,467 for the three and twelve month period ended March 31, 2015 respectively as compared to \$219,135 and \$1,130,787 for the three and twelve month period ended March 31, 2014 respectively.
- Gross Deficit of \$49,118 and Gross Profit of \$44,790 the three and twelve month period ended March 31, 2015 respectively as compared to \$197,178 and \$549,017 for the three and twelve month period ended March 31, 2014 respectively.
- The Company performs its annual goodwill impairment testing in the fourth quarter of each year in accordance with its accounting policy. The goodwill represents the excess of the consideration on acquisition of Inphosoft Group. The consideration or purchase price has been computed based on forecasted revenue and profit before income tax of Inphosoft Group for the years from 2013 to 2016. However, revenue and profit before income tax of Inphosoft Group for March 31, 2014 and 2015 have not met the forecast. In the latest forecast of the Company prepared by management, Inphosoft Group is forecasted to continue to incur net loss till the year ending 2019 before the group can turn around to start to earn profit in the year ending 31 March 2020. Nevertheless, Inphosoft Group is forecasted to continue to be in net cash deficit from March 31, 2016 to 2020 and will be funded by the fellow subsidiary, GIN and loans from related parties. The intangible assets formed part of the acquired assets of Inphosoft Group by the Corporation and is also subjected to the impairment testing. The recoverable amount of the goodwill and intangible assets are determined to be below its carrying value at March 31, 2015, and accordingly are considered impaired and the remaining amounts of goodwill and intangible assets amounted to \$2,830,364 and \$393,75 are written off respectively.
- Selling, general and administrative expenses decreased from \$587,571 and \$1,821,593 for the three and twelve months period ended March 31, 2014 respectively to \$533,718 and \$1,643,448 for the three and twelve month period ended March 31, 2015 respectively.
- Net loss of \$4,364,482 and \$6,775,846 for three and twelve month period ended March 31, 2015 respectively as compared to a net loss of \$994,330 and \$2,972,208 for the three and twelve month period ended March 31, 2014 respectively.
- New cloud-based application-to-person messaging service (the “A2P Messaging Service”) that was introduced in March 27, 2014 has generated revenue of \$627,535 and \$1,117,613 for the three and twelve month period ended March 31, 2015 and is expected to contribute significantly to the Company’s revenue in the future.

- IOSMS service has been discontinued effective September 12, 2014 and will stop contributing to the Company's revenue in the future.

GINSMS has been suffering from revenue decline and losses over the last year as it shut down unprofitable business units such as its traditional IOSMS person-to-person ("P2P") messaging business where market size has been shrinking. The management has shifted focus to the rapidly growing A2P Messaging business. On March 27, 2014, GINSMS announced that it has launched a cloud based A2P messaging service. Mobile application developers use A2P SMS service to deliver one-time-passwords ("OTP") for authentication of over-the-top ("OTT") mobile applications such as Whatsapp, WeChat, Line and KakaoTalk, in-app purchase confirmations or promotion of latest game releases. Enterprises and financial institutions use the A2P service in the areas of mobile marketing, mobile transactions, security, customer relationship management ("CRM") and enterprise resource planning ("ERP"). Research And Markets (www.researchandmarkets.com) estimated the A2P market size to be US\$53.07 billion globally in 2013 and growing at a compounded annual growth rate of 4.2% till 2020.

GINSMS's A2P business started generating revenue in the month of April 2014. Revenue for the first quarter ended June 30, 2014, second quarter ended September 30, 2014, third quarter ended December 31, 2014 and fourth quarter ended March 31, 2015 were \$78,115, \$104,836, \$307,127 and \$627,535 respectively. The table below shows the monthly revenue generated for the A2P business in the six months ended ending March 31, 2015:

Revenue (\$ thousand)	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015
A2P Messaging Service	72	104	131	178	202	248

Selected Profit and Loss Information

Financial Highlights	Three-month period ended March 31, (Unaudited)		Twelve-month period ended March 31, (Audited)	
	2015	2014	2015	2014
Revenues \$				
A2P Messaging Service	627,535	-	1,117,613	-
IOSMS	12,598	28,158	34,820	129,360
S/W Product & Services	183,415	190,977	754,034	1,001,427
	823,548	219,135	1,906,467	1,130,787
Cost of sales \$				
A2P Messaging Service	582,240	-	1,037,629	-
IOSMS	14,218	59,050	87,061	215,566
S/W Products & Services	276,208	(37,093)	736,987	366,204
	872,666	21,957	1,861,677	581,770
Gross profit \$				
A2P Messaging Service	45,295	-	79,984	-
IOSMS	(1,620)	(30,892)	(52,241)	(86,206)
S/W Products & Services	(92,793)	228,070	17,047	635,223
	(49,118)	197,178	44,790	549,017
Gross margin %				
A2P Messaging Service	7.2%	-	7.2%	-

Financial Highlights	Three-month period ended		Twelve-month period ended	
	March 31, (Unaudited)		March 31, (Audited)	
IOSMS	(12.9%)	(109.7%)	(150.0%)	(66.6%)
S/W Products & Services	(64.1%)	119.4%	2.3%	63.4%
	(6.0%)	90.0%	2.3%	48.6%
EBITDA ⁽¹⁾ \$	(398,214)	(493,279)	(1,258,120)	(1,157,946)
EBITDA margin	(48.4%)	(225.1%)	(66.0%)	(102.4%)
Net earnings \$	(4,364,482)	(994,330)	(6,775,846)	(2,972,208)
Net earnings margin	(530.0%)	(453.8%)	(355.4%)	(262.8%)
Net earnings (loss) per share \$				
Basic	(0.07)	(0.02)	(0.13)	(0.06)
Diluted	(0.07)	(0.02)	(0.13)	(0.06)

(1) EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation & amortization (in both cost of sales and general and administration expenses) and the accretion on obligations.

About GINSMS

GINSMS is a mobile technology and services company focusing on 2 areas namely its A2P Messaging Service and its Software Products and Services. GINSMS operates a cloud-based A2P messaging service that allows the termination of SMS to mobile subscribers of more than 200 mobile operators globally. GINSMS also develops and distribute innovative software products and services for mobile operators and enterprises and have successfully deployed more than 100 solutions worldwide. GINSMS has offices in China, Singapore, Hong Kong, Malaysia and Indonesia.

Forward Looking Statements

Certain information included in this press release may contain forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, or “continue” or the negative thereof or variations thereon or similar terminology. These statements are not historical facts, but reflect management’s current beliefs and are based on information currently available to management regarding future results and events. Particularly, these forward-looking statements are based on management’s estimate of future events based on technological advances relating to the Company’s services, current market conditions and past experiences of management in relation to how certain contracts will affect revenues. Forward-looking statements, by their very nature, involve significant risks, uncertainties and assumptions.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to dependence on major customers, system failures, delays and other problems, increasing competition, security and privacy breaches, dependence on third-party software and equipment, adequacy of network reliance, network diversity and backup systems, loss of significant information, insurance coverage, capacity limits, rapid technology changes, market acceptance, decline in volume of attractions, retention of key members of the management team, success of expansion into Chinese and other Asian markets, credit risk, consolidation of existing customers, dependence on required licenses, economy and politics in countries where the Company operates, conflicts of interest and residency of directors and officers. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to

differ from those anticipated, estimated or intended. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Company cannot assure the reader that actual results will be consistent with these forward-looking statements.

In particular, forward-looking statements include the following assumptions:

- Management's belief that the availability of 3G/4G services in China and the rest of the world will continue to create demand for the Company's software products and services.
- Management's belief that the future growth in messaging is in the area of A2P Messaging Service and the Company's investment in this area will create a viable and profitable business in the future.
- Management's belief that the Company is able to generate sufficient amounts of cash through operations and financing activities to fulfil the working capital requirements of its present operations.

These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by law. Accordingly, readers should not place undue reliance on the forward-looking statements. All forward-looking statements contained in this press release are qualified by this cautionary statement.

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