



GINSMS INC.

NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND TWELVE MONTHS ENDED MARCH 31, 2014

Calgary, Alberta, July 28, 2014 – GINSMS Inc. (TSXV: GOK) has announced its financial results for the fourth quarter and year ended March 31, 2014.

PERFORMANCE HIGHLIGHTS FOR THE THREE AND TWELVE MONTHS ENDED MARCH 31, 2014:

- The acquisition of Inphosoft Group Pte Ltd (“Inphosoft”) was completed on September 28, 2012. GINSMS’s income statement for the three and twelve months ended March 31, 2014 includes the operating results of Inphosoft Group Pte Ltd and its subsidiaries resulting in total revenue of \$219,135 and \$1,130,787 respectively, compared to \$518,678 and \$1,302,915 for the corresponding three and twelve months in the previous year.
- Activities for the three-month and twelve months ended March 31, 2014 resulted in a net loss of \$994,330 and \$2,972,208 respectively, including a non-realized exchange loss of \$2,513 and \$10,310 respectively and a non-cash charge to earnings of \$397,577 and \$1,321,854 respectively representing accretion on obligations related to the convertible debentures and promissory notes issued in connection with the acquisition of Inphosoft. The net loss for the twelve months ended March 31, 2014 could have been higher if not for the decrease to the contingent consideration of approximately \$109,000, resulting from an event that occurred subsequent to the acquisition date, was initially recorded in the Company’s September 30, 2013 and December 31, 2013 interim financial statements based upon an estimate which was based upon factors available to the Company at the date of interim financial statements. In connection with the year financial statements, the Company obtained a third party appraisal of the debentures. Based on the third-party appraisal, the Company adjusted (increased) the fair value adjustment of the debentures by approximately \$72,000 with a related increased in accretion of approximately \$64,000 in the quarter ended March 31, 2014. For the three and twelve months ended March 31, 2013, the Company recorded a net loss of \$717,852 and \$1,534,662 respectively.
- EBITDA of negative \$622,071 and \$1,286,738 respectively for the three and twelve months ended March 31, 2014. This is a deterioration of \$438,746 and \$725,681, compared to EBITDA of negative \$183,325 and negative \$561,057 respectively during the corresponding three and twelve months in the previous year. The lower EBITDA principally reflect much higher losses due to lower revenue generated by IOSMS platform and also lower revenue contributed by the Inphosoft Group Pte Ltd and its subsidiaries. There are also higher costs incurred by the whole group in relations to the salaries & wages, amortization & depreciation and accretion costs of debenture and notes payables.
- Volume of inter-SMS traffic for the three-month period ended March 31, 2014 was down by 63.9% to 4,850,223 from the same period the previous year. When compared to the

previous quarter ended December 31, 2013, traffic was down by 21.0%. This downward trend in SMS traffic is largely caused by cellphone users migrating to mobile instant messaging (“MIM”) applications and the removal of bundle fees in the new agreements signed with the mobile network operators that came into effect on the 1st March 2013.

- Liquidity deteriorated considerably with cash on hand of \$115,309, down 88.1% from March 31, 2013. Net current liabilities as at March 31, 2014 were \$596,118, compared to net current assets of \$797,995 as at March 31, 2013.
- The net loss for the twelve months ended March 31, 2014 could have been higher if not for the decrease to the contingent consideration of approximately \$109,000, resulting from an event that occurred subsequent to the acquisition date, was initially recorded in the Company’s September 30, 2013 and December 31, 2013 interim financial statements based upon an estimate which was based upon factors available to the Company at the date of interim financial statements. In connection with the year financial statements, the Company obtained a third party appraisal of the debentures. Based on the third-party appraisal, the Company adjusted (increased) the fair value adjustment of the debentures by approximately \$72,000 with a related increased in accretion of approximately \$64,000 in the quarter ended March 31, 2014.

RESULTS OF OPERATIONS

Financial Highlights	Three-month period ended		Twelve-month period ended	
	2014	March 31, (Unaudited) 2013	2014	March 31, (Audited) 2013
Revenues \$	219,135	518,678	1,130,787	1,302,915
Cost of sales \$	(239,473)	(154,237)	(581,770)	(400,908)
Gross profit \$	(20,338)	364,441	549,017	902,007
Gross margin %	(9.3)%	70.3%	48.6%	69.2%
EBITDA (1) \$	(622,071)	(183,325)	(1,286,738)	(561,057)
EBITDA margin	(283.9)%	(35.3)%	(113.8)%	(43.1)%
Net earnings \$	(994,330)	(717,852)	(2,972,208)	(1,534,662)
Net earnings margin	(453.8)%	(138.4)%	(262.8)%	(117.8)%
Net earnings (loss) per share \$				
Basic	(0.02)	(0.02)	(0.06)	(0.04)
Diluted	(0.02)	(0.02)	(0.06)	(0.04)

(1) EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation, amortization and the accretion on obligations.

	Consolidated as at March, 2014 (Audited) ⁽¹⁾	Consolidated as at March 31, 2013 (Audited) ⁽¹⁾
Total assets \$	4,951,716	6,686,027
Total liabilities \$	8,173,290	7,056,584
Shareholders’ equity \$	(3,221,574)	(370,557)

(1) The figures reported above are based on the consolidated financial statements of the Company which have been prepared in accordance with International Financial Reporting Standard.

Revenue for the 3 months and 12 months ended March 31, 2014 was \$219,135 and \$1,130,787 respectively, representing a decrease of 57.8% and 13.2% respectively, compared to \$518,678

and \$1,302,915 during the corresponding periods the previous year. The increase of 30.8% in revenue from Inphosoft for 12 months to \$1,001,428 is mainly due to the inclusion of full 12 months of revenue for the period ended March 31, 2014 as compared to the inclusion of only 6 months of revenue from Inphosoft for the period ended March 31, 2013. However, revenue from Inphosoft for 6 months ended March 31, 2014 declined by 45.4% to \$418,288 compared to \$765,894 for the 6 months ended March 31, 2013. Revenue generated through its global partner, Acision, has declined significantly from a year ago and is not expected to recover soon. Acision has downsized its global sales team to focus on Acision's core products and places less emphasis on reselling partners' products. This resulted in the reduced demand for the Company's products. Moving forward, the business conditions will remain challenging and the Company has to focus its efforts on other areas in order to create new revenue streams. The Company has since invested heavily in the current quarter in the development of two mobile applications namely the InphoShop series of mobile applications including GoMall and Happy Hours and RightHere Messenger, an Over-The-Top ("OTT") messaging application. The development of the three applications is not completed yet. Revenue from the Company's IOSMS activities, taken separately, declined by 68.7% and 75.9% for the 3 months and 12 months compared to the previous year. The decline in the revenue generated from the IOSMS platform is due to the less favourable terms of the contracts signed with mobile network operators that came into effect on March 1st 2013 as well as a 63.9% drop in the Company's SMS traffic during the quarter ended March 31, 2014, compared to the corresponding quarter the previous year.

Revenue from Inphosoft for the 12 months aggregated \$1,001,428 is broken down as follows: Professional Services - \$544,363 (54.4%), Software License Fees – \$49,494 (4.9%), and Support and Maintenance (S&M) -\$407,571 (40.7%).

The net loss for the quarter ended March 31, 2014 amounted to \$994,330, compared to a loss of \$717,852 during the same quarter the previous year. The loss for the fourth quarter this fiscal year includes a net foreign exchange loss of \$2,513 and a non-cash charge to earnings of \$397,577 representing accretion on obligations related to the convertible debentures and promissory notes issued in connection with the acquisition of Inphosoft. EBITDA for the fourth quarter ended March 31, 2014 amounted to deficit of \$622,071 while EBITDA for the corresponding period the previous year showed a deficit of \$183,325. These results underline a decline in gross profit with gross income decreasing by 105.6% to negative \$20,338 and with a lower gross profit margins hence this translates into a gross margin of -9.3%, compared to 70.3% during the corresponding quarter the previous year.

Other than lower revenue generated by the IOSMS platform and the impact the foreign exchange gain have had on the results of the Company for the 12 months ended March 31, 2014, the loss of \$2,972,208 reported during the period reflects higher operating expenses. With Inphosoft, salaries and wages jumped by 88.5% to \$1,126,503, and general and administrative expenses are up 73.8% to \$328,765. However, consultancy fees decreased by 56.8% to \$39,407 and professional fees decreased by 49.0% to \$330,770. The decline in professional fees reflected the lower legal fees in particular following the completion of the acquisition at the end of the second quarter of the previous year. The consolidation of Inphosoft also resulted in higher amortization charges and accretion costs on convertible debenture and notes payables which amounted to \$399,730 and 1,321,854 respectively, compared to \$327,092 and \$654,904 respectively for the corresponding 12 months the previous year.

About GINSMS

GINSMS is a mobile technology and services company focusing on 4 areas namely Telecom Platforms and Products, Mobile Advertising, Mobile Messaging and Mobile Applications. GINSMS conducts research and development and also establishes partnerships to develop and distribute innovative products and services globally. Through its wholly owned subsidiaries in Singapore, Hong Kong, Malaysia and Indonesia, GINSMS has successfully deployed more than 100 solutions globally. GINSMS also operates a short message service (“SMS”) hub that provides inter-operator messaging services to mobile telecom operators in Hong Kong and messaging services to enterprises in Asia. Through its Right Here Media brand, GINSMS provides a one-stop mobile advertising service to advertisers. These services include the development of creative mobile advertising campaigns for advertisers, the provision of technology to execute these campaigns and the placement of advertisements on mobile advertising networks.

Forward Looking Statements

This news release includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with GINSMS’ business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, and similar expressions to the extent they relate to GINSMS or its management. The forward-looking statements are not historical facts, but reflect GINSMS’ current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risks Factors” in GINSMS’ Filing Statement filed on August 29, 2012 with the regulatory authorities. GINSMS assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless required by law.

For further information, please contact:

GINSMS Inc.
Joel Chin, CEO
Tel: +65-6441-1029
Email: investor.relations@ginsms.com

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.