



GINSMS INC.

NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016

Calgary, Alberta, August 11, 2016 – GINSMS Inc. (TSXV: GOK) (the “Company”) has announced its financial results for the second quarter and six months ended June 30, 2016.

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

- Revenue of \$1,679,421 and 3,340,833 for the three-month and six-month period ended June 30, 2016 respectively as compared to \$1,071,046 and \$1,894,594 for the three-month and six-month period ended June 30, 2015 respectively.
- Gross Profit of \$237,768 and 505,169 for the three-month and six-month period ended June 30, 2016 respectively as compared to gross profit of \$77,318 and \$28,200 for the three-month and six-month period ended June 30, 2015 respectively.
- Operating expenses and finance costs decreased from \$911,422 and \$5,353,514 for the three-month and six-month period ended June 30, 2015 respectively to \$738,484 and \$1,204,758 for the three-month and six-month period ended June 30, 2016 respectively.
- Net loss of \$501,012 and \$700,415 for three-month and six-month period ended June 30, 2016 as compared to a net loss of \$836,676 and \$5,201,158 for three-month and six-month period ended June 30, 2015 respectively.
- The cloud-based application-to-person messaging service (the “A2P messaging”) that was introduced in March 27, 2014 has generated revenue of \$1,483,777 for the three-month period ended June 30, 2016.

Selected Profit and Loss Information

Financial Highlights	Three-month period ended June 30, 2016 (Unaudited)	Three-month period ended June 30, 2015 (Unaudited)	Six-month period ended June 30, 2016 (Unaudited)	Six-month period ended June 30, 2015 (Unaudited)
Revenue \$				
A2P Messaging Service	1,483,777	808,109	2,889,177	1,435,644
IOSMS Messaging Service	-	-	-	12,598
Software Products & Services	195,644	262,937	451,656	446,352
	1,679,421	1,071,046	3,340,833	1,894,594
Cost of sales \$				
A2P Messaging Service	1,267,443	778,004	2,477,187	1,360,242
IOSMS Messaging Service	-	-	-	14,219
Software Products & Services	174,210	215,724	358,477	491,933
	1,441,653	993,728	2,835,664	1,866,394

Financial Highlights	Three-month period ended June 30, 2016 (Unaudited)	Three-month period ended June 30, 2015 (Unaudited)	Six-month period ended June 30, 2016 (Unaudited)	Six-month period ended June 30, 2015 (Unaudited)
Gross profit \$				
A2P Messaging Service	216,334	30,105	411,990	75,402
IOSMS Messaging Service	-	-	-	(1,621)
Software Products & Services	21,434	47,213	93,179	(45,581)
	237,768	77,318	505,169	28,200
Gross margin %				
A2P Messaging Service	14.6%	3.7%	14.3%	5.3%
IOSMS Messaging Service	-	-	-	(12.9)%
Software Products & Services	11.0%	18.0%	20.6%	(10.2)%
	14.2%	7.2%	15.1%	1.5%
Adjusted EBITDA ⁽¹⁾ \$	(244,271)	(249,742)	(201,388)	(636,608)
Adjusted EBITDA margin	(14.5)%	(23.3)%	(6.0)%	(33.6)%
Net loss \$	(501,012)	(836,676)	(700,415)	(5,201,158)
Net loss margin	(29.8)%	(78.1)%	(21.0)%	(274.5)%
Loss per share \$				
Basic	(0.004)	(0.016)	(0.005)	(0.101)
Diluted	(0.004)	(0.016)	(0.005)	(0.101)

Adjusted EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortization (in both cost of sales and general and administration expenses), interest expenses, the accretion on obligations and also excludes certain non-recurring or non-cash expenditure.

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. Forward looking statements are presented in this news release for the purpose of assisting investors and others in understanding certain key elements of our expected fiscal 2016 financial results, as well as our objectives, strategic priorities and business outlook for fiscal 2016, and in obtaining a better understanding of the Company's anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. All forward-looking statements contained in this press release are qualified by this cautionary statement.

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