



NEWS RELEASE

GINSMS ENTERS INTO AN AGREEMENT TO RAISE US\$700,000 IN A PRIVATE PLACEMENT WITH ITS CONTROLLING SHAREHOLDER

Calgary, Alberta, March 31, 2017 – GINSMS Inc. (“**GINSMS**” or the “**Corporation**”) (TSXV: GOK) today announces that it has entered into an agreement to complete an unbrokered private placement with its controlling shareholder, Xinhua Mobile Limited (“**Xinhua Mobile**”). The contemplated private placement would result in the Corporation raising US\$700,000 or C\$931,280 using prior day’s Bank of Canada published exchange rate and issuing 7,163,692 common shares to Xinhua Mobile at a subscription price of C\$0.13 per common share (the “**Private Placement**”).

The proceeds from the proposed Private Placement will increase GINSMS’ current working capital and will be used towards the Corporation’s strategy to expand A2P messaging business segment in existing markets such as Indonesia, Malaysia, Taiwan and China, and to support its software products and service business segment. In particular, the proceeds from the proposed Private Placement will be used to finance up to December 2017 for GINSMS suppliers’ costs of approximately USD200,000, software development costs of approximately USD50,000, marketing costs of approximately USD100,000, staff salaries of approximately USD150,000, and professional fees and others of approximately USD200,000.

Following the closing of the proposed Private Placement, GINSMS will have 149,793,861 common shares issued and outstanding. Xinhua Mobile together with its current ownership of 90,678,160 common shares or 63.58% of all issued and outstanding common shares of the Corporation, will own 97,841,852 common shares or 65.32% of all issued and outstanding common shares of the Corporation.

In connection with the Private Placement, Mr. Joel Chin, GINSMS’ Chief Executive Officer, and Inphosoft Pte. Limited, a company in which Mr. Chin is a shareholder and a director, agreed to: (i) lower the interest rate from 24% per annum to 12% per annum on several GINSMS loans having principal and interests amounts outstanding of C\$3,033,757 and C\$791,770 as of February 28, 2017, respectively,

with effect from March 1, 2017; (ii) extend the maturity date of such loans to March 31, 2018; and (iii) extend the maturity date on the Corporation's C\$400,000 promissory note issued to Inphosoft Pte. Limited to March 31, 2018.

In addition, Xinhua Mobile has also agreed to: (i) lower the interest rate of GINSMS loan having principal and interests amounts outstanding of C\$271,079 as of February 28, 2017 from 28% per annum to 12% per annum with effect from March 1, 2017; and (ii) extend the maturity date of such loan to March 31, 2018.

The board of directors of GINSMS reviewed and considered the proposed Private Placement with Xinhua Mobile and unanimously approved its terms and conditions.

The Private Placement with Xinhua Mobile constitutes a related party transaction under Part 5 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**NI 61-101**”). The Private Placement is exempt from the formal valuation and minority approval requirements contained in Part 5 of NI 61-101 as the total aggregate proceeds of the private placement represent less than 25% of GINSMS' market capitalization calculated as of the last business day of March 30, 2017.

The closing of the Private Placement is conditional upon the obtaining of the customary regulatory approval for such transaction including the conditional approval of the TSX Venture Exchange.

Closing of the Private Placement is expected to occur less than 21 days from the date of filing of the material change report required under Canadian securities laws in respect of the proposed private placement. GINSMS believes that this timing is reasonable considering that the private placement is required in order to provide it with sufficient working capital and to further expand its business.

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 Corporation'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 Corporation operates, conflicts of interest and residency of directors and officers. Although the Corporation 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 Corporation cannot assure the reader that actual results will be consistent with these forward-looking statements.

These forward-looking statements are made as of the date of this press release, have been approved by management as of the date hereof and the Corporation 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.

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.

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