



NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR FIRST QUARTER ENDED JUNE 30, 2013

Calgary, Alberta, August 29, 2013 – GINSMS Inc. (TSXV: GOK) has announced its financial results for the first quarter ended June 30, 2013.

PERFORMANCE HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2013:

- The acquisition of Inphosoft Group Pte Ltd (“Inphosoft”) was completed on September 28, 2012. GINSMS’s income statement for the quarter ended June 30, 2013 includes the operating results of Inphosoft Group Pte Ltd and its subsidiaries resulting in total revenue of \$445,584, compared to \$157,089 for the corresponding quarter the previous year.
- Activities for the three-month period ended June 30, 2013 resulted in a net loss of \$481,991, including a non-realized exchange gain of \$19,762 and a non-cash charge to earnings of \$290,549 representing accretion on obligations related to the convertible debentures and promissory notes issued in connection with the acquisition of Inphosoft. For the quarter ended June 30, 2012, the Company recorded a net loss of \$48,035.
- EBITDA of negative \$79,852 for the quarter ended June 30, 2013. This is a deterioration of \$57,308 compared to EBITDA of negative \$22,544 during the corresponding quarter the previous year. The lower EBITDA principally reflect much higher losses due to lower revenue generated by the IOSMS platform and, principally but not exclusively, substantially higher professional fees incurred by the Group.
- Volume of inter-SMS traffic for the three-month period ended June 30, 2013 was down by 76.7% to 5,543,603 from the same period the previous year. When compared to the previous quarter ended March 31, 2013, traffic is down 58.7%. 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 improved considerably with cash on hand of \$670,500, down 30.6% from March 31, 2013. Net current assets as at June 30, 2013 were \$687,209, compared to \$797,995 as at March 31, 2013.

RESULTS OF OPERATIONS

Financial Highlights	Three-month period ended June 30, (Unaudited)		Year ended March 31, (Audited)	
	2013	2012	2013	2012
Revenues \$	445,584	157,089	1,302,915	686,934
Cost of sales \$	(144,279)	(70,724)	(400,908)	(268,454)
Gross profit \$	301,305	86,365	902,007	418,480
Gross margin %	67.6%	55.0%	69.2%	60.9%

Selling, General & Admin	381,157	108,909	1,526,863	763,828
Amortization	107,425	26,381	327,092	103,077
EBITDA (1) \$	(79,852)	(22,544)	(561,057)	(345,348)
EBITDA margin	(17.9%)	(14.4)%	(43.1)%	(50.3)%
Net earnings \$	(481,991)	(48,035)	(1,534,662)	(493,704)
Net earnings margin	(108.2)%	(30.6)%	(117.8)%	(71.9)%
Net earnings (loss) per share \$				
Basic	(0.01)	(0.00)	(0.04)	(0.01)
Diluted	(0.01)	(0.00)	(0.04)	(0.01)

(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 June 30, 2013 (unaudited)⁽¹⁾	Consolidated as at March 31, 2013 (Audited)⁽¹⁾
Total assets \$	6,061,208	6,686,027
Total liabilities \$	6,745,628	7,056,584
Shareholders' equity \$	(684,420)	(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 first quarter ending June 30, 2013 was \$445,584, representing an increase of 183.7%, compared to \$157,089 during the corresponding quarter the previous year. 260.3% of the increase is due to the inclusion for the first time of the revenue from Inphosoft in the consolidated statement of income as revenue from the Company's IOSMS activities, taken separately, declined by 76.6%. 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 1st March 2013 as well as a 76.7% drop in SMS traffic during the quarter ended June 30, 2013, compared to the corresponding quarter the previous year.

Revenue from Inphosoft during that period aggregated \$408,846 and is broken down as follow: Professional Services - \$287,531 (70.3%), License fees – \$6,681 (1.6%), and Support and Maintenance (S&M) -\$114,634 (28.1%). Professional Services essentially represent contract work provided customers for an array of software services and solutions including software installation services, software customization services, or the design and development of bespoke software solutions for customers.

The net loss for the quarter ended June 30, 2013 amounted to \$481,991, compared to a loss of \$48,035 during the same quarter the previous year. The loss for the first quarter this fiscal year includes a non-cash charge to earnings of \$290,549 representing accretion on obligations related to the convertible debentures and promissory notes issued in connection with the acquisition of Inphosoft.

EBITDA for the first quarter ended June 30, 2013 amounted to negative \$79,852 while EBITDA for the corresponding period the previous year which showed a deficit of \$22,544. These results underline a much improved gross profit picture with gross income increasing by 183.7% to \$445,584, the result of substantially higher gross profit margins at Inphosoft which, on a fully consolidated basis, translate into a gross margin of 67.6%, compared to 55.0% during the corresponding quarter the previous year.

Other than lower revenue generated by the IOSMS platform, the loss of \$481,991 reported during the period reflects higher operating expenses albeit more than offset, as mentioned above, by a much higher gross income. With Inphosoft, salaries and wages jumped by 376.7% to \$187,450, professional fees are increased by 104.3% to \$52,614, and general and administrative expenses

are up 688.6% to \$129,460. Consultancy fees incurred a slight increase of 14.5% to \$31,395. The consolidation of Inphosoft also resulted in higher amortization charges which amounted to \$107,425, compared to \$26,381 for the corresponding quarter 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.

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