INFINIO GROUP LIMITED

(Incorporated in Singapore)
(Company Registration No.: 199801660M)

PROPOSED PLACEMENT OF 180,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF INFINIO GROUP LIMITED AT A PLACEMENT PRICE OF S$0.001 PER SHARE

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings in the Company's announcement dated 26 January 2017, 24 February 2017 and 13 March 2017

The Board of Directors (the "**Board**") of Infinio Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wish to announce that pursuant to the above placement, we have received queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") dated 9 March 2017 and 20 March 2017 and append below the respective replies.

A. <u>9 March 2017 SGX-ST queries:</u>

The SGX-ST noted from the announcement of 27 January 2017 that the working capital currently available to the Group is insufficient to meet its present requirements and it will not be sufficient even after the proposed placement.

There have also been no developments to the proposed debt capitalization, proposed AOF convertibles and Birthday Mine.

<u>Birthday Mine</u>

With the acquisition of the Birthday Mine in 2014, the Company is an MOG company and it had undertaken to commission and completes the JORC report upon completion of the acquisition. The initial drilling was carried out between June 2014 and July 2014. Unfortunately, due to funding constraints, the drilling program was put on hold since July 2014 with the intention to recommence drilling later, pending further injection. Based on the monthly updates from 23 December 2015 till 28 February 2017, there has been no material update to the negotiation with potential investors / third parties to acquire or manage the mine operations.

<u>Proposed Notes Issue</u>

On 1 September 2016, the Company entered into a Subscription Agreement (the "**Subscription Agreement**") with Advance Opportunities Fund I ("**AOF I**") and Advance Capital Partners Asset Management Private Limited pursuant to which the Company proposed to issue to AOF I 1% equity-linked redeemable convertible notes due 2019 (the Notes) with an aggregate principal amount of up to $20 million. Based on the monthly updates from 29 September 2016 till 28 Feb 2017, there has been no material update on the progress of the Subscription Agreement.

<u>Proposed Debt Conversion</u>

On 6 September 2016, the Company entered into debt conversion agreements with certain non-trade creditors of the Company, which include the shareholders and current/ex directors of the Company, for conversion of amounts owed by the Company of approximately $1.84 million into 1,536,795,834 new ordinary shares in the capital of the Company at a conversion price of

$0.0012 per share, with the intention to reduce the debt burden of the Company without adversely affecting its cash flows (the "**Debt Conversion Agreements**"). Based on the monthly updates from 29 September 2016 till 28 February 2017, there has been no material update on the progress of the Debt Conversion Agreements.

Question 1. What exactly is the business plan of the Company, both short and long term?

Question 2. What is the Board's basis for continued trading under Catalist Rule 1303 given its confirmation on insufficient working capital?

Response:

The plans for the Company have not changed since our announcement "**Update on Plans for the Group**" dated 6 May 2016 and the Company recognizes that to continue with the Plans it requires additional funding.

With the current economic situation and market sentiments, the Company is facing funding issues which have slowed down the process but the Plans are ongoing.

Hence the Company had entered into a Subscription Agreement with AOF I dated 1 September 2016 ("**Subscription Agreement**"), pursuant to which the Company has agreed to issue, and AOF I has agreed to subscribe 1.0% equity-linked redeemable convertible notes due 2019 in aggregate principal amount of up to S$20,000,000 ("**Proposed Notes Issue**")for additional funding. The Subscription Agreement is still subject to the fulfilment of the conditions precedent set out therein. With the renewed optimism in the mining sector, the Company has received enquiries from more than three interested parties for the possible acquisition of and /or to manage the operation of the Birthday mine jointly. The Company intends to recommence work on the development work on the mine upon receipt of funding from the notes issue ("**Proposed Notes Issue**").

In its further announcement on 6 September 2016, the Company has also entered into debt conversion agreements dated 6 September 2016 with certain non-trade creditors of the Company, with the intention to reduce the debt burden of the Company without adversely affecting its cash flows.

With the limited funds, the Company was unable to pay the professional fee to carry out the funds raising exercise; therefore, the purpose of the intermittent funding (the "**Proposed Placement**") mainly is to pay the professional fee so that the Company can continue with the plans. With the working capital currently available to the Group it is insufficient to meet its present requirements and it will not be sufficient even after this placement. Hence discussions are underway with potential investors for additional funding of $200,000 by another shares placement exercise.

There is no reason to stop the Company from continued trading as the Company is not under duress. The Company is also continuing to seek new investment opportunities and intend to use the funds from the proposed notes issue for a possible acquisition of or investment in a company which is engaged in a retail business.

B. <u>20 March 2017 SGX-ST query:</u>

Question: Can the Board confirm whether the Company can continue operating as a going concern? If so, please set out the basis.

Response:

Historically, the Company has been able to continue to operate with the tight cash flow situation and is not under duress as no creditors have demanded payments from the Company.

The plans for the Company have not changed since our announcement "**Update on Plans for the Group**" dated 6 May 2016 and the Company recognizes that to continue with the Plans it will require additional working capital.

The Company has secured investors who are prepared to invest in the Company with full knowledge of the Company financial position. However, due to the market capitalization of the Company, the size of each placement has been severely restricted.

However, the Company has successfully raised an amount of $180,000 through shares placements for the Company's working capital to be followed by the issue of the equity-linked redeemable convertible notes. Therefore, the Company entered into a Subscription Agreement with AOF 1 dated 1 September 2016 ("**Subscription Agreement**"), pursuant to which the Company has agreed to issue, and AOF 1 has agreed to subscribe 1.0% equity-linked redeemable convertible notes due 2019 in aggregate principal amount of up to S$20,000,000 ("**Proposed Notes Issue**"). However, the Subscription Agreement is still subject to the fulfilment of the conditions precedent set out therein. As such, the Company has requested and AOF I have agreed to extend interim financing to the Company and as and when required, the Company may place out more shares under the general mandate to fund the working capital of the Company.

With the renewed optimism in the mining industry, the Company has received enquiries from three interested parties for the possible acquisition of and / or the management of the Birthday mine. The Company intends to recommence work on the development work on the mine upon receipt of funding from the notes issue ("**Proposed Notes Issue**").

The Company has also planned to utilize the funds from the note issue for a possible acquisition of or investment in a company in a related gold business. This will help to improve the Company's position.

The Board is optimistic that with the funding commitments in place, the Company's current financial position will improve. However, any delay in this current placement will impair the financial position further and the placee has indicated that they may not wish to extend the long stop date any further.

C. <u>The Board's View</u>

The Board's confirmed that the Company can continue as going concern with the funding commitments in place and subject to the completion of the following:

(a) As at 6 September 2016, the Company has entered into debt conversion agreement with certain non-trade creditors of the Company, which include the shareholders and current/ex directors of the Company, for conversion of amounts owed by the Company of approximately $1.84 million into 1,536,795,834 new ordinary shares in the capital of the Company at a conversion price of $0.0012 per share, with the intention to reduce the debt burden of the Company without adversely affecting its cash flows. However, the proposed debt conversion is subject to certain conditions precedent, including, *inter alia,* the approval from the

Shareholders and the listing quotation notice from the SGX-ST, which have not been fulfilled as at the date of this announcement.

(b) On 1 September 2016, the Company entered into a Subscription Agreement with Advance Opportunities Fund I ("AOF I") and Advance Capital Partners Asset Management Private Limited pursuant to which the Company proposed to issue to AOF I 1% equity-linked redeemable convertible notes due 2019 (the Notes) with an aggregate principal amount of up to $20 million comprising 4 tranches of a principal amount of $5 million, comprising of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranches 4 Notes. Each Tranche 1 and Tranche 2 Notes shall comprise 20 equal sub-tranches of $250,000 while each Tranche 3 and Tranche 4 Notes shall comprise 10 equal tranches of $500,000. The Notes shall entitle AOF I 1% interest per annum calculated based on the aggregate principal amount of the Notes held and be convertible into ordinary shares in the capital of the Company based on the terms and conditions as set out in the Subscription Agreement. However, the proposed issue of Notes is subject to certain conditions precedent, including, *inter alia,* the approval from the Shareholders and the listing quotation notice from the SGX-ST, which have not been fulfilled as at the date of this announcement.

(c) On 26 January 2017, the Company has entered into a share placement agreement with Advance Opportunities Fund I ("AOF I") (the "Placement Agreement") pursuant to which the Company has agreed to allot and issue 180,000,000 new ordinary shares (each a "Placement Share" and collectively, the "Placement Shares") at an issue price of $0.001 per Placement Share to AOF I (the "Proposed Placement"). However, the Placement is subject to certain conditions precedent, including, *inter alia,* the listing quotation notice from the SGX-ST, which have not been fulfilled as at the date of this announcement

BY ORDER OF THE BOARD
INFINIO GROUP LIMITED

Lim Yeow Sun
Executive Director
23 March 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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