

INFINIO GROUP LIMITED

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

PROPOSED DEBT CONVERSION

1. INTRODUCTION

- 1.1 The Board of Directors (“**Directors**”) of Infinio Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 6 September 2016 entered into the following debt conversion agreements (“**Debt Conversion Agreements**”) with certain creditors as named in this announcement (“**Creditors**”) for the proposed conversion of debts owing by the Group into new ordinary shares in the capital of the Company (the “**Conversion Shares**”) at a conversion price of S\$0.0012 (the “**Conversion Price**”) per Conversion Share (“**Proposed Debt Conversion**”).
- 1.2 The amount owing to each of Creditors and the nature of the debt conversion for each Creditors are as per below:

All outstanding amounts owed to each of the Creditors are interest free.

Creditors	Nature of outstanding amount owing	Amount (S\$)
Advance Opportunities Fund (“ AOF ”)	Outstanding principal amount arising from the subscription of equity linked notes, and interest	424,005
Atlas Capital Pte Ltd (“ Atlas ”) ⁽¹⁾⁽²⁾	Shareholder’s loan	350,000
Vendor of Summit Light Ventures Ltd (“ Summit ”)		
Oei Liang Jen Nicholas Remigius (“ Mr Oei ”)	Vendors of Summit (who are unpaid as at the date of this announcement). The amounts arose as shares in Summit was acquired by the Company on 25 February 2014	249,850
Bliss Deal Limited		421,800
Lim Yeow Sun Tommy		28,500
Directors (past and present)		
Christopher Tang Kok Kong	Past director’s fees for the financial year ended 31 March (“ FY ”) 2011 and FY2012	25,000
Andy Kun Swee Tiong	Past director’s fees for the FY2014 and FY2015	62,500
Hong Seong Soo	Past director’s fees for the FY2014 and FY2015	47,500
Choo Siew Lohk	Past director’s fees for the FY2015	25,000
Wong Kuan Kit Keith	Past director’s fees for the FY2014	10,000
- Lim Yeow Sun Tommy	Director’s remuneration for the FY2015	100,000
- Wong Kuan Kit Keith	Director’s remuneration for the FY2015	100,000
Total		1,844,155

Notes:

- (1) As at 30 March 2016, the outstanding loan amount from Atlas amounted to S\$482,000 of which, S\$307,000 has been subsequently repaid from refundable non-interest bearing deposits, obtained by the Company for the purpose of the proposed placement which was subsequently aborted on 1 September 2016 (as announced by the Company on 1 September 2016). There was also subsequent additional interest free loans from Atlas of S\$25,000 and S\$50,000 in [April 2016 and August 2016] respectively, with the total loan amount from Atlas of S\$250,000 as announce on 1 September 2016 ("**Atlas Loan**").
- (2) As at the date of this announcement, the amounts of loans from Atlas of S\$350,000 comprises (i) the Atlas Loan and (ii) an outstanding amount of S\$100,000, pursuant to loans from an unrelated 3rd party (who is a non-interested person or person mentioned under Rule 812), which has been novated to Atlas on 6 September 2016.

2. DEBT CONVERSION AGREEMENT

2.1 Salient terms of the Debt Conversion Agreement

2.2 Conversion Price

Under the terms of the Debt Conversion Agreement, the Company has agreed, subject to the fulfilment of all the conditions precedent *inter alia* shareholders' approval and requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), to convert all the debt owing to the Creditors into Conversion Shares at the Conversion Price for an aggregate of up to 1,536,795,833. The Conversion Price was agreed between the parties on a willing-buyer and willing-seller basis taking into consideration the current share price of the Company and volatility in the market. The Conversion Price represents a discount of approximately 40% to the volume weighted average price for trades done in respect of the Shares on the Catalist on 6 September 2016, being the full market day on which the Debt Conversion Agreements are signed.

2.3 Conversion Shares

The Conversion Shares will, when allotted and issued pursuant to the Proposed Debt Conversion, be authorised, allotted, validly issued and credited as fully paid-up, free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing ordinary shares in the capital of the Company ("**Shares**") as at the date (s) of allotment and issue of the Conversion Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the date of allotment and issue of such Conversion Shares.

2.4 Conditions Precedent

The Proposed Debt Conversion is subject to, *inter alia*:

- (a) the listing and quotation notice being obtained from SGX-ST for the listing and quotation of the Conversion Shares on the Catalist ("**Listing Approval**") and not having been revoked or amended and, where such Listing Approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Conversion Shares on the Catalist are required to be fulfilled on or before completion date, they are so fulfilled; and
- (b) Approval from shareholders of the Company ("**Shareholders**") for the Proposed Debt Conversion being obtained at an extraordinary general meeting ("**EGM**") to be convened at a later date.

2.5 Rationale for the Proposed Debt Conversion

The rationale of the Proposed Debt Conversion is to reduce the debt burden of the Group, eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group, provide for some level of stability to the Group and alleviate pressures faced by the Group on its cash flow.

3. SHAREHOLDINGS OF CREDITORS

The shareholdings of the Creditors after the Proposed Debt Conversion are as follows:

	Existing share capital ⁽¹⁾		Enlarged share capital ⁽²⁾	
	Number of Shares	%	Number of Shares	%
Mr Oei	166,857,758	15.87%	375,066,091	14.49%
AOF	93,626,483	8.91%	446,963,983	17.27%
Atlas	144,210,000	13.72%	435,876,666	16.84%
Lim Yeow Sun Tommy	1,200,000	0.11%	108,283,333	4.18%
Bliss Deal Limited	-	-%	351,500,000	13.58%
Christopher Tang Kok Kong	-	-%	20,833,333	0.80%
Andy Kun Swee Tiong	-	-%	52,083,333	2.01%
Hong Seong Soo	-	-%	39,583,333	1.53%
Choo Siew Lohk	-	-%	20,833,333	0.80%
Wong Kuan Kit Keith	-	-%	91,666,666	3.54%
Total	1,051,304,250	100%	2,588,100,083	100%

Notes:

- (1) Calculated on the basis that the total number of existing issued Shares is 1,051,304,250 Shares.
- (2) Calculated on the basis that the total number of enlarged issued Shares after the Proposed Debt Conversion is 2,588,100,083 Shares.

Please note that the shareholdings indicated in the above table excludes the effects of the issuance and subsequent conversion of the 1% Equity-Linked Redeemable Convertible Notes as announced on 1 September 2016.

4. EXTRAORDINARY GENERAL MEETING

3.1 Shareholders' Approval

Pursuant to Rule 803 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), an issuer must not issue securities to transfer a controlling interest without prior approval of Shareholders in general meeting. The Proposed Debt Conversion may result in a transfer of controlling interest in the Company to both AOF and Atlas, for which specific Shareholders' approval, if applicable, shall be sought at the EGM.

Pursuant to Rule 804 of the Catalist Rules, the participation of Mr. Tommy Lim Yeow Sun a director, or an associate of his under Proposed Debt Conversion is subject to the approval of Shareholders.

As certain of the Creditors being Mr. Oei (a controlling Shareholder) and Mr. Tommy Lim Yeow Sun (a Director) are Interested Persons as defined in Chapter 9 of the Catalist Rules, and as Rule 906 of the Catalist Rules, requires Shareholders' approval for any interested person transaction when the value (or in this case the amount of debt to be converted) is equal to, or more than 5% of the Group's latest audited net tangible assets, the Proposed Debt Conversion for Interested Persons may be subject to the requirements of Chapter 9 of the Catalist Rules for interested persons transactions as the audited financial statements for 31 March 2016 will be released after this announcement but prior to the holding of any shareholders approval for the Proposed Debt Conversion.

In view of the above, the Company will be seeking the approval of Shareholders' for the allotment and issuance of Conversion Shares, the issuance of Shares to Directors and

controlling Shareholders, interested person transactions and transfer of controlling interest in the Company in relation to the Proposed Debt Conversion at an EGM to be convened.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial Shareholders of the Company has any interest (other than their respective shareholdings in the Company), direct or indirect, in the Proposed Debt Conversion set out in this announcement.

6. FURTHER DISCLOSURE

The Company will make further disclosures in a separate announcement and/or circular at later date in compliance with the applicable requirements of the Catalist Rules. Furthermore, the Proposed Debt Conversion and issuance and allotment of the Conversion Shares are subject to compliance with all rules, regulations and requirements imposed by the SGX-ST.

The Company has represented that it will, *inter alia*:

- (i) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on Catalist;
- (ii) comply with all applicable requirements of the Law of Singapore (including but not limited to the Act and the Companies Act) and the Catalist Rules in connection with the Proposed Debt Conversion, the Conversion Shares; and
- (iii) comply with all applicable Law of Singapore and all rules and regulations which it is subject to including the rules and regulations of the SGX-ST.

The Company undertakes that it will comply with relevant requirements of the Catalist Rules including but not limited, where applicable, to seek Shareholders' approval for, *inter alia*, the Proposed Debt Conversion, issuance of Conversion Shares to controlling interest, transfer of controlling interest, interested person transactions.

A circular to Shareholders containing more information, *inter alia*, on the financial effects of the above transactions and the notice of the EGM will be despatched to the Shareholders in due course.

The Company and the Board confirm that they are not aware of any other material information (including but not limited to financial information) with respect to the Group which was not formally disclosed or announced.

7. APPLICATION TO THE SGX-ST

The Company will be making an application through the Sponsor to the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist. The Company will make the necessary announcements upon the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Debt Conversion Agreements are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00 Singapore 068898 during normal business hours for a period of three (3) months from the date of this announcement.

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares in the Company. The Proposed Debt Conversion is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Debt Conversion will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements as and when there are further developments.

Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt as to the actions they should take.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Debt Conversion, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

**BY ORDER OF THE BOARD
INFINIO GROUP LIMITED**

Lim Yeow Sun
Executive Director
06 September 2016

*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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