

INFINIO GROUP LIMITED

Unaudited Half-Year Financial Statement Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative period of immediately preceding financial year.

	Group		
	Half Year Ended 30 September		
	2016 \$'000	2015 \$'000	% Change
Revenue	-	5	-100%
Cost of sales	-	-	N.M
Gross profit	-	5	-100%
Other income - net	6	8	-25%
Distribution and marketing expenses	-	-	N.M
Administrative expenses	(427)	(547)	-22%
Results from operating activities	(421)	(535)	-21%
Finance income	-	-	N.M
Finance cost	(32)	(5)	540%
Finance cost - net	-	-	N.M
Loss before tax	(453)	(539)	-16%
Income tax expenses	-	-	N.M
Loss for the year	(453)	(539)	-16%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Employee share options	-	-	N.M
-Share options lapsed	-	-	N.M
Other comprehensive income for the year, net of tax	-	-	N.M
Total comprehensive loss for the year	(453)	(539)	-16%
Loss attributable to:			
Owners of the Company	(453)	(539)	-16%
Non-controlling interests	-	-	N.M
	(453)	(539)	-16%
Total comprehensive loss attributable to:			
Owners of the Company	(453)	(539)	-16%
Non-controlling interests	-	-	N.M
	(453)	(539)	-16%
Loss per share			
- Basic loss per share (cents)	(0.04)	(0.06)	- 33%
- Diluted loss per share (cents)	(0.04)	(0.06)	- 33%

Note: Differences due to rounding

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative period of immediately preceding financial year.

Notes to Administrative Expenses

	Group Half Year Ended 30 September		
	2016 \$'000	2015 \$'000	% Change
Administrative Expenses by Nature			
Audit fees paid/payable to the auditor of the Company	38	28	36%
Depreciation of plant and equipment	-	1	-100%
Employee compensation	216	305	-29%
Legal and professional fees	10	37	-73%
Listing fees and AGM/ EGM expenses	53	75	-29%
Operating lease – office and equipment rental	43	65	-34%
Other	67	36	86%
Total administrative expenses	<u>427</u>	<u>547</u>	<u>-22%</u>

For the 6 month financial period ended 30 September 2016, the Group did not register any investment income, allowance for doubtful debts and bad debt written off, write off for stock obsolescence, impairment in value of investment, adjustments for under or over provision of tax, exceptional items, and extraordinary items.

1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
Note	30-Sep 2016 \$'000	31-Mar 2016 \$'000	30-Sep 2016 \$'000	31-Mar 2016 \$'000
ASSETS				
Non-Current assets				
Plant and equipment	-	-	-	-
Intangible assets	-	-	-	-
Mining rights	2,026	2,026	-	-
Investments in subsidiaries	-	-	2,026	2,026
	<u>2,026</u>	<u>2,026</u>	<u>2,026</u>	<u>2,026</u>
Current assets				
Trade and other receivables	47	35	45	27
Cash and cash equivalents	7	4	2	3
	<u>54</u>	<u>39</u>	<u>47</u>	<u>30</u>
Total assets	<u>2,080</u>	<u>2,065</u>	<u>2,073</u>	<u>2,056</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	44,010	44,010	44,010	44,010
Reserves	(45,490)	(45,037)	(45,259)	(44,819)
	<u>(1,480)</u>	<u>(1,027)</u>	<u>(1,249)</u>	<u>(809)</u>
Non-controlling interests	<u>(25)</u>	<u>(25)</u>	<u>-</u>	<u>-</u>
Total equity	<u>(1,505)</u>	<u>(1,052)</u>	<u>(1,249)</u>	<u>(809)</u>
Current Liabilities				
Trade and other payables	2,374	2,235	2,111	1,983
Borrowings	1,211	882	1,211	882
Total liabilities	<u>3,585</u>	<u>3,117</u>	<u>3,322</u>	<u>2,865</u>
Total equity and liabilities	<u>2,080</u>	<u>2,065</u>	<u>2,073</u>	<u>2,056</u>

Note: Differences due to rounding

1(b)(ii) aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand;

As at 30 September 2016		As at 31 March 2016	
Secured	Unsecured	Secured	Unsecured
Nil	1,210,500 ²	Nil	882,000 ¹

Amount repayable after one year;

As at 30 September 2016		As at 31 March 2016	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Details of any collateral.

None.

¹The loans from shareholders comprised of:

- (i) Unsecured interest-bearing loans amounting to \$400,000 due to Advance Opportunities Fund an interest rate of 12% per annum, and
- (ii) Unsecured interest-free loan extended by Atlas Capital Pte Ltd amounting to \$482,000 and is repayable on demand.

²As at 30 September 2016, the unsecured loans comprised of the following:

- (i) \$400,000 being amount brought forward from the amount due to Advance Opportunities Fund with an interest rate of 12% per annum
- (ii) \$350,000 being the balance of the unsecured interest-free loan extended by Atlas Capital Pte Ltd and is repayable on demand.
- (iii) Unsecured interest-bearing loans amounting to \$400,000 & \$60,500 respectively from an unrelated third party with an interest rate of 1% per month, due in 16 September 2017 and 26 September 2017 respectively.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement Of Cash Flows

	Group	
	Half Year Ended 30 Sept	
	2016	2015
	\$'000	\$'000
Cash flows from operating activities		
Loss before tax	(453)	(539)
<u>Adjustments for :</u>		
Amortisation of intangible assets	-	-
Depreciation of plant and equipment	-	2
Currency realignment	-	-
Interest income	-	-
Operating cash flows before changes in working capital	(453)	(537)
<u>Changes in working capital, net of effects from acquisition and disposal of subsidiaries:</u>		
Trade and other receivables	(12)	23
Trade and other payables	139	85
Net cash used in operating activities	(326)	(429)
Cash flows from investing activities		
Acquisition of plant and equipment	-	-
Proceeds from disposal of available-for-sale financial assets	-	-
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Proceeds from issue of new ordinary shares, net of expenses	-	716
Proceeds from loans	461	-
Repayment of borrowings	(132)	(284)
Net cash flows generated from financing activities	329	432
Net (decrease)/ increase in cash and cash equivalents	3	3
Cash and cash equivalents at beginning of financial year	4	8
Cash and cash equivalents at the end of the period	7	11

Note : Differences due to rounding

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of change in equity

Group	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
2016						
Balance at 1 April 2016	44,010	(43)	(44,994)	(1,027)	(25)	(1,052)
Loss for the year	-	-	(453)	(453)	-	(453)
<u>Other comprehensive income/</u> <u>(loss)</u>						
Items that may be reclassified subsequently to profit and loss:						
Employee share options						
- Share options lapsed	-	-	-	-	-	-
Currency translation differences arising from consolidation	-	-	-	-	-	-
Total comprehensive income/ (loss) for the year	-	-	-	-	-	-
<u>Contributions by and</u> <u>distributions to owners of</u> <u>the Company</u>						
Issuance of shares	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
Balance at 30 September 2016	44,010	(43)	(45,447)	(1,480)	(25)	(1,505)
2015						
Balance at 1 April 2015	43,302	(43)	(40,988)	2,271	(17)	2254
Loss for the year	-	-	(539)	(539)	-	(539)
<u>Other comprehensive income/</u> <u>(loss)</u>						
Items that may be reclassified subsequently to profit and loss:						
Employee share options						
- Share options lapsed	-	-	-	-	-	-
Currency translation differences Arising from consolidation						-
Total comprehensive income/ (loss) for the year	-	-	-	-	-	-
<u>Contributions by and</u> <u>distributions to owners of</u> <u>the Company</u>						
Issuance of shares	724	-	-	724	-	724
Share issue expenses	(8)	-	-	(8)	-	(8)
	716	-	-	716	-	716
Balance at 30 September 2015	44,018³	(43)	(41,527)	2,447	(17)	2,430

Company	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000
2016				
Balance at 1 April 2016	44,010	-	(44,819)	(809)
Loss for the year	-	-	(440)	(440)
<u>Other comprehensive income/(loss)</u>				
Employee share options				
- Share options lapsed	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-
<u>Contributions by and distributions to owners of the Company</u>				
Issuance of shares	-	-	-	-
Share issue expenses	-	-	-	-
	-	-	-	-
Balance at 30 September 2016	44,010	-	(45,259)	(1,249)
2015				
Balance at 1 April 2015	43,302	-	(40,863)	2,439
Loss for the year	-	-	(500)	(500)
<u>Other comprehensive income/(loss)</u>				
Employee share options				
- Share options lapsed	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-
<u>Contributions by and distributions to owners of the Company</u>				
Issuance of shares	724	-	-	724
Share issue expenses	(8)	-	-	(8)
	716	-	-	716
Balance at 30 September 2015	44,018³	-	(41,363)	2,655

³Being reversal of issuance expenses.

Note : Differences due to rounding

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in share capital of the Company at the beginning and end of the financial period reported.

The Company does not hold any treasury shares as at 30 September 2016 and 31 March 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding year

	as at 30 Sep 2016	as at 31 Mar 2016
Total number of Issued Shares	1,051,304,250	1,051,304,250

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by the auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	30 Sep 2016	30 Sep 2015
(Loss) per ordinary share for the period		
- Based on weighted average number of ordinary shares in issue	(0.04) cents	(0.06) cents
- Based on fully diluted number of ordinary shares in issue	(0.04) cents	(0.06) cents

The Group's loss per share is based on the weighted average number of ordinary shares in issue during the financial year of 2016: 1,051,304,250 (2015:963,937,960). As of 30 September 2016 and 30 September 2015, the Group does not have any outstanding warrants and employee share options. Thus, there is no impact on the Group's dilutive potential ordinary share.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year:-**

Net Asset Value	Group		Company	
	30/09/16	31/03/16	30/09/16	31/03/16
Net asset value based on existing issued share capital as at the respective period / year	Cents (0.14) (0.10)		Cents (0.12) (0.08)	

The net asset value per share is calculated based on the number of ordinary shares in issue of 1,051,304,250 as at 30 September 2016. (31 March 2016: 1,051,304,250 shares)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

The Group's revenue for the half year ended 30 September 2016 ("HFY2017") dropped to nil as compared to the previous financial year. The decrease was due mainly to loss of revenue from the Group's online payment business following the expiry of the license held by Onegame Pte Ltd, a Group's subsidiary, in June 2015.

The other income received is the job credits grant from the Government.

Administration expenses decreased by 22% to S\$0.43 million in HFY2017 from S\$0.55 million for HFY2016 mainly due to reduction in staff and related costs by \$89,000 in this financial period.

Finance costs increased by \$27,000 to S\$32,000 in HFY2017 mainly due to the additional interest expense payable on the loan extended by Advance Opportunities Fund and loans obtained from an unrelated third party amounting to \$400,000 & \$60,500 respectively.

As a result of the above, the Group had a net loss of approximately \$0.45 million in HFY2017 as compared to a net loss of approximately \$0.5 million in HFY2016.

Financial Position and Cash Flow Analysis

As at 30 September 2016, the Group and the Company had cash and cash equivalent of \$7,000 and \$2,000 respectively.

The Group's current assets increased from \$39,000 as at 31 March 2016 to \$54,000 as at 30 September 2016 due to increase in deposits and prepayments.

The Group's current liabilities increased from \$3,117,000 as at 31 March 2016 to \$3,585,000 as at 30 September 2016 mainly due to the unsecured interest-bearing loans obtained from an unrelated third party. There was an increase in trade and other payables mainly due to interest payable to the unsecured interest bearing loans from third party, refundable non-interest bearing deposits and an increase in professional fees.

As at 30 September 2016, the Group's shareholder's equity was negative at \$1,505,000. The decrease in the Group's shareholder's equity of \$453,000 was attributable to the loss of \$453,000 recognized for this financial period.

The Group's net cash used in operating activities amounted to \$326,000 in HFY2017 as compared to \$429,000 for HFY2016. The lower net cash used in operating activities in HFY2017 was due to lower loss before tax in HFY2017 as well as positive changes in the working capital. The Group recorded net cash inflow from financing activities of approximately \$329,000 in HFY2017 mainly due to unsecured interest-bearing loans obtained from an unrelated third party.

As at 30 September 2016, the Group reported a net current liabilities of \$3,531,000 mainly due to unsecured interest-bearing loans amounting to \$400,000 & \$60,500 respectively obtained from an unrelated third party.

Notwithstanding the Group's loss after tax of approximately S\$453,000 in HFY2017 and net current liabilities of approximately S\$3,531,000 as at 30 September 2016, the Board and the Audit Committee of the Company ("Audit Committee") are of the opinion that the Company and the Group will be able to meet their liabilities as and when they fall due and that the Company and the Group are able to continue as a going concern for the next 12 months. The basis of such opinion is as follows:-

- (a) The on-going negotiations with the potential investors/third parties to take over the Birthday Mine or to manage the mine operation without any capital expenditure to the Company. (please refer to the Company's announcement dated 31 October 2016)
- (b) As announced on 1 September 2016, the Company has separately entered into a subscription agreement dated 1 September 2016 with Advance Opportunities Fund I and Advance Capital Partners Asset Management Private Limited for the proposed issue of 1.0% redeemable convertible notes due 2019 with an aggregate principal amount of up to \$20,000,000 ("Proposed Notes Issue"). Please refer to the announcement dated 1 September 2016 on the Proposed Notes Issue for the details of the Proposed Notes Issue.
- (c) As announced on 6 September 2016, the Company has entered into debt conversion agreements dated 6 September 2016 with certain non-trade creditors of the Company, which include certain ex-vendors of Summit Light Ventures Ltd, the current shareholders and current/ex directors of the Company, for conversion of amounts owed by the Company of approximately \$1.84 million into 1,536,795,833 new ordinary Shares 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.

There is no material update in connection with the Proposed Notes issue and the Debt Conversion. The Proposed Notes Issue and Debt Conversion are subject to the approval of the Shareholders at an extraordinary general meeting to be convened and the listing and quotation notice being obtained from the Singapore Exchange Securities Trading Limited for the listing and quotation of the Conversion Shares on the Catalist.

Further announcement will be made to update the shareholders in the event there are any relevant changes or developments on the above matters.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has announced on 1 September 2016, the Company entered into a Subscription Agreement with Advance Opportunities Fund I ("AOFI") and Advance Capital Partners Asset Management Private Limited pursuant to which the Company proposed to issue to AOFI a 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 respectively. AOFI shall be entitled to a 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.

On 6 September 2016, the Company has concluded the negotiation with certain non-trade creditors of the Company, which include certain ex-vendors of Summit Light Ventures Ltd, the current shareholders and current/ex directors of the Company, for conversion of amounts owed by the Company of approximately \$1.84 million into 1,536,795,833 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.

As at the date of this report, the proposed issue of the Notes and the debt conversion exercise have not been approved by the Company's shareholders in the general meeting to be convened at a later date. Furthermore, certain conditions precedent have to be satisfied before the Company receives the proceeds from the issuance of the first tranche of Tranche 1 Notes amounting to \$250,000 from AOFI.

Further announcement will be made to update the shareholders in the event there are any relevant changes or developments of the above matters.

11. If a decision regarding dividend has been made:-

None.

12. If no dividend has been declared, a statement to that effect:-

No dividend has been declared/recommended for the 6 month period ended 30 September 2016.

13. Interested Persons Transactions:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to rule 920)	Aggregate value of all interested persons transactions conducted under shareholders mandate pursuant to rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Negative assurance confirmation on interim financial results under Rules 705(5) of the Listing Manual.

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results of the Group and the Company for the half year ended 30 September 2016, to be false or misleading in any material aspect.

15. Confirmation by the Company to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

On behalf of the Board,

Lim Yeow Sun
Executive Director

Hong Seong Soo
Non-Executive Director

BY ORDER OF THE BOARD

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Lim Yeow Sun
Director
14 November 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 and basis for which such opinions are formed.*

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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