

INFINIO GROUP LIMITED

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

UPDATE ON THE PROPOSED DEBT CONVERSION

1. INTRODUCTION

1.1 Further to the announcement made by Infinio Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) on 6 September 2016, the Company wishes to announce that the debt conversion agreements dated 6 September 2016 had lapsed on 5 December 2016 and therefore the Company had on 12 May 2017 re-entered into debt conversion agreements (“**Debt Conversion Agreements**”) with certain creditors (“**Creditors**”) for the proposed conversion of debts owing by the Group into new ordinary shares in the capital of the Company (the “**Debt Conversion Share**”) at a conversion price of S\$0.0012 (the “**Debt Conversion Price**”) per Debt Conversion Share (“**Proposed Debt Conversion**”).

1.2 The amount owing to each of the 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 (\$)
Loans or outstanding notes		
Advance Opportunities Fund (“ AOF ”)	Part of the outstanding principal amount of unconverted equity linked notes, and interest	127,202
Foong Chee Meng	Loans provided to the Company and assigned to Foong Chee Meng ⁽¹⁾⁽²⁾⁽³⁾	350,000
Vendor of Summit Light Ventures Ltd (“ Summit ”)		
Oei Liang Jen Nicholas Remigius (“ Mr Oei ”)	Vendors (save for Lim Wee Beng Eddie) in the Company's acquisition of Summit as announced on 24 October 2013 and 28 October 2013. Part of the consideration remains unpaid as at the date of this announcement.	249,850
Bliss Deal Limited		210,900
Lim Wee Beng Eddie ⁽⁴⁾		210,900
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		1,547,352

Notes:

- (1) As at 30 March 2016, the outstanding loan amount from Atlas Capital Pte Ltd ("**Atlas**") to the Company 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 were also subsequent additional interest free loans from Atlas to the Company of the amount S\$25,000 and S\$50,000 in April 2016 and August 2016 respectively, and the total loan amount from Atlas to the Company is S\$250,000 as announced on 1 September 2016 ("**Atlas Loan**"). The Atlas Loan remains unpaid since 1 September 2016.
- (2) As at 6 September 2016, an unrelated 3rd party (who is a non-interested person and not a person mentioned under Rule 812 of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist ("**Catalist Rules**") has assigned a S\$100,000 loan to the Company to Atlas ("**Other Loan**"). The Other Loan remains unpaid since 1 September 2016.
- (3) Atlas has assigned both Atlas Loan and Other Loan to Foong Chee Meng on 8 May 2017.
- (4) Bliss Deal has assigned 50% of the debt owing from the Company to Lim Wee Beng, Eddie.

2. DEBT CONVERSION AGREEMENT

2.1 Salient terms of the Debt Conversion Agreement

2.2 Conversion Price

The Debt 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 Debt Conversion Price represents a premium of approximately 20.0% to the volume weighted average price for trades done in respect of the Shares on the Catalist on 12 May 2017, being the full market day on which the Debt Conversion Agreements are signed.

2.3 Debt Conversion Shares

The Debt 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 Debt 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 Debt Conversion Shares.

2.4 Conditions Precedent

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

- (a) the listing and quotation notice being obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Debt 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 Debt 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.
- (c) The allotment and issue of the Debt Conversion Shares to the Creditors not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after date of the Debt Conversion Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Creditor;
- (d) The exemption under Section 272B(1) of the Securities and Futures Act (“**SFA**”) being applicable to the issuance of the Debt Conversion Shares under the Debt Conversion Agreement; and
- (e) The representations and warranties of the Company and the Creditors being true, accurate and correct in all material aspects, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations under the Debt Conversion Agreement which are required to be performed.

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 before and after the Proposed Debt Conversion are as follows:

	As at the date of this announcement ⁽¹⁾		After completion of the Proposed Debt Conversion ⁽²⁾	
AOF	-	-	106,001,250	4.21%
Foong Chee Meng	-	-	291,666,666	11.57%
Mr Oei	166,857,758	13.55%	375,066,091	14.88%
Bliss Deal Limited	-	-	175,750,000	6.97%
Lim Wee Beng Eddie	-	-	175,750,000	6.97%
Lim Yeow Sun Tommy	1,200,000	0.10%	108,283,333	4.30%
Christopher Tang Kok Kong	-	-	20,833,333	0.83%
Andy Kun Swee Tiong	-	-	52,083,333	2.07%
Hong Seong Soo	-	-	39,583,333	1.57%
Choo Siew Lohk	-	-	20,833,333	0.83%
Wong Kuan Kit Keith	-	-	91,666,666	3.64%

Notes:

- (1) Calculated on the basis that the total number of existing issued Shares is 1,231,304,250 Shares.
- (2) Calculated on the basis that the total number of enlarged issued Shares after completion of the Proposed Debt Conversion is 2,520,763,830 Shares.

4. EXTRAORDINARY GENERAL MEETING

4.1 Shareholders' Approval

Lim Yeow Sun Tommy, Andy Kun Swee Tiong and Hong Seong Soo are current directors of the Company and are deemed to be interested persons under Chapter 9 of the Listing Manual of the SGX-ST Section B: Rules of Catalist ("**Catalist Rules**"). Pursuant to Rule 915(8) of the Catalist Rules, an interested person transaction relating to director's fees and remuneration and employment remuneration does not require to comply with Rule 905, 906 and 907 of the Catalist Rules.

There was an amount of S\$28,500 owing to Lim Yeow Sun Tommy, the Executive Director of the Company, in relation to the acquisition of Summit which was completed in 2014. Pursuant to Rule 906 (2), Shareholders' approval is not required for any interested person transaction below S\$100,000.

The Company confirms that save for the current directors of the Company (comprising Lim Yeow Sun, Andy Kun Swee Tiong and Hong Seong Soo), none of the Creditors are "interested persons" under the Chapter 9 of the Catalist Rules.

Notwithstanding the foregoing, Lim Yeow Sun Tommy, Andy Kun Swee Tiong and Hong Seong Soo are current Directors and Atlas and Oei Liang Jen Nicholas Remigius are current substantial Shareholders. Pursuant to Rule 812 of the Catalist Rules, the issue of the Debt Conversion Shares to Lim Yeow Sun Tommy, Andy Kun Swee Tiong, Hong Seong Soo, Atlas Capital Pte Ltd and Oei Liang Jen Nicholas Remigius are subject to the approval of the Shareholders.

Accordingly, the Company is seeking Shareholders' approval for the allotment and issuance of the Debt Conversion Shares as well as the issuance and allotment of the Debt Conversion Shares to the Directors and substantial Shareholders at the EGM.

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.

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 Debt Conversion Shares are subject to compliance with all rules, regulations and requirements imposed by the SGX-ST.

The Company has represented and undertaken 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 and the Debt 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.

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

7. APPLICATION TO THE SGX-ST

The Company will be making an application for the listing of and quotation for the Debt 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 Debt Conversion Shares on the Catalist.

8. FINANCIAL EFFECTS OF THE PROPOSED DEBT CONVERSION

For illustrative purposes only, based on the audited full year results of the Company for the year ended 31 March 2016, the financial effects of the Proposed Debt Conversion are calculated based on the following assumptions:

- (a) for the purpose of computing the loss per Share (“**LPS**”) of the Group after the completion of the Proposed Debt Conversion, it is assumed that the allotment and issuance of the Debt Conversion Shares was completed on 31 March 2016;
- (b) for the purpose of computing the net tangible assets (“**NTA**”) per Share, it is assumed that the Proposed Debt Conversion was completed on 31 March 2016.

Share Capital

	Number of Shares	S\$
Issued share capital as at the date of this announcement	1,231,304,250	44,165,000
Add: Debt Conversion Shares	1,289,459,580	1,547,352
Issued share capital after the Proposed Debt Conversion	2,520,763,830	45,712,352

NTA

As at 31 March 2016	Before the Proposed Debt Conversion (S\$)	After the Proposed Debt Conversion (S\$)
NTA	(3,053,000)	(1,505,649)
Number of Shares	1,231,304,250	2,520,763,830
NTA per share (cents)	(0.25)	(0.06)

LPS

FY2016	Before the Proposed Debt Conversion (S\$)	After the Proposed Debt Conversion (S\$)
Loss attributable to Shareholders	(4,006,000)	(4,006,000)
Weighted average number of shares	964,564,000	2,254,023,580
Loss per Share (cents)	(0.42)	(0.18)

Gearing

FY2016	Before the Proposed Debt Conversion (S\$)	After the Proposed Debt Conversion (S\$)
Total borrowings	882,000	272,798 ⁽¹⁾
Shareholders' funds	(1,027,000)	520,352
Gearing (times)	Negative	0.52

Note:

(1) The reduction of the total borrowings was attributable to the Proposed Debt Conversion and the repayments of loan to Atlas of approximately S\$132 thousand was between April 2016 to September 2016..

9. 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.

10. 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.

BY ORDER OF THE BOARD
INFINIO GROUP LIMITED

Lim Yeow Sun
Executive Director
12 May 2017

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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