

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

**MATERIAL ADJUSTMENT BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (“FY2016”)
AND MATERIAL ADJUSTMENTS BETWEEN THE UNAUDITED ANNOUNCED
AND AUDITED RESULTS FOR FY2016**

MATERIAL ADJUSTMENTS BETWEEN THE UNAUDITED ANNOUNCED AND AUDITED RESULTS FOR FY2016

In compliance with Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (“**Catalist Rules**”), the Company wishes clarify the following;

In the full year announcement released on 29 June 2016, the Company announced a net loss of \$968,000. In the audited financial statement, the net loss for the year is \$4.014m.

The material difference of \$3.046m has arisen due to the following:

The Management has decided to partially impair the carrying value of the mining rights by S\$2.881m. The impairment also led to lower mining rights asset recorded of S\$2.026m in the audited balance sheet as compared to S\$4.907m in the results announcement.

The difference in the cash flow statement arises mainly due to a reclassification of Atlas Capital Pte Ltd interest free loan \$482,000 from trade and other payables. There is no overall net effect on the statement of cash flows.

The differences between the previously announced results and the audited results for FY2016 with the explanations for the material differences are set out below.

	Unaudited \$'000	Audited \$'000	Difference \$'000	Note
Consolidated statement of comprehensive income for the financial year ended 31 March 2016:				
Revenue	5	5	-	
Cost of sales	-	-	-	
Gross profit	5	5	-	
Other income	11	11	-	
Administrative expenses	(978)	(4,000)	3,022	[1],[2],[3],[4]
Finance cost	(6)	(30)	24	[5]
Loss before tax	(968)	(4,014)	3,046	
Income tax expense	-	-	-	
Loss for the year	(968)	(4,014)	3,046	
Other comprehensive income	-	-	-	

Total comprehensive income	(968)	(4,014)	3,046
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Notes:

[1] - Depreciation of plant and equipment of \$1,000

[2] - Amortisation charge and impairment losses on mining rights amounting to \$273,000 and \$2,608,000

[3] - Under provision of (i) FY2016 directors' fees of \$95,000, (ii) professional fees of \$87,000, (iii) under-accrual of provision of unutilised leave of \$20,000 and under-accrual of travelling expense of \$21,000

[4] - Gain arising from derivative liabilities on 5% equity linked redeemable structured convertible notes of \$83,000

[5] - Under-accrual of interest expense of \$24,000 on unsecured interest bearing loans amounting \$400,000 due to Advance Opportunities Fund at an interest of 12% per annum.

	Unaudited \$'000	Audited \$'000	Difference \$'000	
Non-current assets				
Plant and equipment	1	-	1	
Mining rights	4,907	2,026	2,881	[1]
	4,908	2,026	2,882	
Current assets				
Trade and other receivables	42	35	7	
Cash and cash equivalents	4	4	-	
	46	39	7	
Total assets	4,954	2,065	2,889	
Equity and Liabilities				
Share capital	44,018	44,010	8	
Reserve	(41,999)	(45,037)	3,038	See PL explanation
Non-controlling interest	(17)	(25)	8	
	2,002	(1,052)	3,054	
Current liabilities				
Trade and other payables	2,469	2,235	234	[2]
Borrowings	483	882	(399)	[3]
	2,952	3,117	(165)	
Total equity and liabilities	4,954	2,065	2,889	

Notes:

[1] - Amortisation charge and impairment losses on mining rights amounting to \$273,000 and \$2,608,000

[2] - The decrease was due to the reclassification of shareholder loan of \$482,000 to "Borrowings", offset by under-accrual of director fees of \$95,000, professional fees of \$87,000, accrued travelling

expense of \$21,000, accrued interest expense of \$24,000 and provision for unutilised leave of \$20,000.

[3] - Reclassification of shareholder loan of \$482,000 from "trade and other payables", set off by the reversal of derivative liabilities on conversion of convertible bonds of \$83,000

Consolidated Statement of Cash Flows	Unaudited \$'000	Audited \$'000	Difference \$'000	
Cash flows from operating activities				
Loss before tax	(968)	(4,014)	3,046	See P/L reconciliation
Adjustments for:				
1) Amortisation of intangible assets	-	273	(273)	[2]
2) Depreciation of plant and equipment	2	4	(2)	[1]
3) Impairment loss on mining rights	-	2,608	(2,608)	[2]
	-	(83)	83	[7]
Operating cash flows before changes in working capital	(966)	(1,212)	246	
Changes in working capital:				
1) Trade and other receivables	28	41	(13)	[3]
2) Trade and other payables	218	(23)	241	[3]
Net cash used in operating activities	(720)	(1,194)	474	
Cash flows from financing activities:				
1) Proceeds from issuance of new ordinary shares, net of expense	716	324	392	[3]
2) Share issue expense	-	(16)	16	[4]
3) Proceeds from subscription of convertible notes	-	400	(400)	[3]
4) Proceeds from shareholders' loans	-	728	(728)	[3]
5) Repayment of shareholders' loans	-	(246)	246	[3]
	716	1,190	(474)	
Net decrease in cash and cash equivalents	(4)	(4)		
Cash and cash equivalents at beginning of financial year	8	8		
Cash and cash equivalents at end of financial year	4	4		

Notes:

[1] - Additional depreciation on plant and equipment

[2] - Amortisation charge and impairment losses on mining rights

[3] - Reclassification of accounts between operating activities and financing activities

[4] - Share issue expenses

The Company confirms that there were no disagreements with the Company's external auditor, Foo Kon Tan LLP, on the accounting treatment.

BY ORDER OF THE BOARD
INFINIO GROUP LIMITED

Lim Yeow Sun
Executive Director
8 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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