

INFINIO GROUP LIMITED

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

PROPOSED ISSUE OF 1% EQUITY-LINKED REDEEMABLE CONVERTIBLE NOTES DUE 2019 IN AGGREGATE PRINCIPAL AMOUNT OF S\$20,000,000

1. PROPOSED NOTES ISSUE

1.1 Introduction

The board of directors ("**Board**" or "**Directors**") of Infinio Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 1 September 2016 entered into a subscription agreement (the "**Subscription Agreement**") with Advance Opportunities Fund I ("**AOF I**" or the "**Subscriber**") and Advance Capital Partners Asset Management Private Limited ("**ACPAM**") (collectively, the "**Parties**") pursuant to which the Company proposes to issue to the Subscriber 1.0% equity-linked redeemable convertible notes due 2019 with an aggregate principal amount of up to S\$20,000,000 ("**Proposed Notes Issue**") comprising four tranches (each, a "**Tranche**") of a principal amount of S\$5,000,000 each (collectively, the notes shall be referred to as the "**Notes**" and individually, the four tranches of the Notes shall be referred to as "**Tranche 1 Notes**", "**Tranche 2 Notes**", "**Tranche 3 Notes**" and "**Tranche 4 Notes**" respectively). Each of Tranche 1 Notes and Tranche 2 Notes shall comprise 20 equal sub-tranches of S\$250,000 each, and each of Tranche 3 Notes and Tranche 4 Notes shall comprise 10 equal sub-tranches of S\$500,000 each. The Notes shall entitle the holder thereof to 1.0% interest per annum calculated based on the aggregate principal amount of the Notes held, and, on the terms and conditions set out in the Subscription Agreement ("**Terms and Conditions**"), be convertible into ordinary shares in the capital of the Company listed on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

1.2 Salient terms of the Proposed Notes Issue

Pursuant to the Subscription Agreement, the Company, the Subscriber and ACPAM have agreed that the issue of the Notes shall be on, *inter alia*, the following terms:

Principal Amount	:	Up to S\$20,000,000 in principal amount of the Notes.
Issue Price	:	In relation to each sub-tranche of the relevant Tranche, the amount equivalent to 100% of the principal amount of the Notes for such sub-tranche.
Maturity Date	:	36 months after the closing date for the first sub-tranche of the Tranche 1 Notes.
Interest Rate	:	The Notes will bear interest at a rate of 1.0% per annum.
Status of Notes	:	The Notes constitute direct, general, unconditional and unsecured obligations of the Company, rank <i>pari passu</i> and rateably without any preference among themselves.
Redemption	:	The Notes which are not redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company in accordance with the Conversion Price (as defined below) as stated in the Subscription Agreement on the Maturity Date. The Company shall at least one (1) month prior to the Maturity Date, issue an announcement notifying Shareholders of the same and shall dispatch to all Noteholders, a notice of the Maturity Date. In the event a Noteholder exercises its right to convert the Notes (the "Conversion Right") and the Conversion Price

		the Conversion Price (as elected by the Noteholder) is less than or equal to 65% of the average of the daily traded volume weighted average price (“VWAP”) per Share for the 45 consecutive Business Days prior to the relevant closing date (as set out in section 1.4 of this announcement) in respect of each first sub-tranche of the respective tranches of Notes which the relevant Notes are comprised in (the “Conversion Downside Price”), the Company may redeem such Notes (and only such Notes) presented by the Noteholder to the Company for conversion in cash at an amount calculated in accordance with the formula set forth below (the “Conversion Redemption Amount”) by giving notice of the same to the relevant Noteholder. $R = N \times \{P + [8\% \times P \times (D/365)] + I\}$ where:- “R” = the Conversion Redemption Amount. “D” = the number of days elapsed since the relevant closing date (as set forth in section 1.4 of this announcement) in respect of each sub-tranche of the Notes. “N” = the number of Notes presented for conversion. “P” = the face value of the Notes presented for conversion. “I” = the remaining unpaid interest accrued on the Notes presented for conversion.
Conversion Price	:	The price at which each Share shall be issued upon conversion, at the option of the relevant Noteholder, 80% of the average closing prices per Share on any three (3) consecutive Business Days as selected by the relevant registered Noteholder during the 45 Business Days immediately preceding the relevant conversion date on which Shares were traded on the SGX-ST.
Listing Status	:	The Notes will not be listed and quoted.
Event of default	:	If any Event of Default (as defined in the Terms & Conditions) has occurred, including: (a) where any of the approvals and/or consents including the approvals required to be obtained by the Company under the Subscription Agreement in respect of the transactions contemplated therein were revoked, rescinded or cancelled; (b) where any of the approvals and/or consents including the approvals required to be obtained by the Company under the Subscription Agreement in respect of the transactions contemplated therein were obtained subject to any conditions which were required to be fulfilled on or before the applicable issue date(s) of the Notes by the Company, such conditions were not fulfilled;

	(c) there is a default in any payment by the Company; (d) there is default by the Company in the payment of the principal or interest in respect of the Notes or any of them when due in accordance with these Terms and Conditions; (e) there is default by the Company in the performance or observance of any undertaking, condition, provision or obligation (including the performance of its obligations to allot and issue Shares arising from the conversion of the Notes as and when a Noteholder exercises its right to convert any Notes ("Conversion Rights") in accordance with the conditions), contained in the Notes and on its part to be performed or observed; (f) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation the terms of which have previously been approved in writing by Noteholders holding more than half of the outstanding principal amount of Notes or which is approved by the Shareholders, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the Notes; (g) a resolution is passed or an order of a court of competent jurisdiction is made that any subsidiary of the Company ("Subsidiary") be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation the terms of which have previously been approved in writing by Noteholders holding more than half of the outstanding principal amount of Notes; (h) an encumbrancer takes possession of or a receiver is appointed for the whole or a material part of the assets or undertaking of the Company and/or a Subsidiary; (i) the Company or any Subsidiaries without any lawful cause stops payment (within the meaning of any applicable bankruptcy or insolvency law) or is unable to pay its debts as and when they fall due, or (ii) the Company or any Subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (f) or (g) above) ceases or through an official action of the board of directors of the Company or any Subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on the Group; (j) proceedings shall have been initiated against the Company or any Subsidiary under any applicable bankruptcy, reorganisation or insolvency law; (k) the Company or any Subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of bankruptcy or insolvency, or a decree
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	of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a material adverse effect on the Group; (l) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any Subsidiary; (m) the delisting or an order for delisting or threatened delisting of the Shares from Catalist or a suspension of trading of the Shares on Catalist for a period of five consecutive Business Days or more. For the avoidance of doubt, a threatened delisting shall exclude the Company being placed on the Watch List of the SGX-ST; (n) the ratio of borrowings to net worth exceeds 10 times at any time with effect from 1st April 2017; (o) if the Company engages in any transaction with any hedge fund operating or originating from any part of the world without the prior written consent of the Subscriber; (p) any credit facilities granted to the Company or any of its Subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group; or (q) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of at least S\$5,000,000 or the equivalent in any other currency or currencies (hereinafter collectively called "Indebtedness") of the Company or any of the Subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of the Subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of at least S\$20,000,000 given by the Company or any of the Subsidiaries shall not be honoured when due and called upon, then any Note may be declared immediately due and payable whereupon it shall become immediately due and payable at 125% of its principal amount together with accrued interest without further formality.
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Further details of the terms and conditions of the Subscription Agreement and, where applicable, any amendments thereof will be set out in the circular to be issued to the shareholders of the Company ("**Shareholders**") in due course for the purpose of obtaining the

approval of Shareholders in respect of the Proposed Notes Issue at an extraordinary general meeting to be convened.

1.3 Salient terms of the Subscription Agreement

1.3.1 Conditions Precedent to the closing of the first sub-tranche of Tranche 1 Notes

Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for the first sub-tranche of Tranche 1 Notes unless the following conditions precedent have been satisfied on or before the date falling three calendar months from the date of the Subscription Agreement or such other date as the Parties may agree in writing ("**Fulfilment Date**"):-

- (a) within five Business Days from the date of the Subscription Agreement, there shall have been delivered to the Subscriber, a list setting out the names of the Substantial Shareholders as at the latest book closure date of the Company's share register, duly certified by a director and company secretary or two directors of the Company to be true and accurate as at that date;
- (b) the approval of Shareholders at a general meeting of the Company for the offer or sale, or invitation for subscription or purchase, or the issue, of the Notes, the allotment and issue of the Shares to be allotted and issued by the Company to the Subscriber upon the conversion of the Notes in accordance with the provisions of the Subscription Agreement and the conditions ("**Conversion Shares**") upon the exercise of the Conversion Rights in respect of the Notes and all other matters in relation thereto and in connection therewith shall have been obtained, and such approval shall not have been amended, withdrawn, revoked or cancelled and, where such approval is obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the closing date of the first sub-tranche of Tranche 1 Notes, they are fulfilled;
- (c) all the approvals for the transactions contemplated under the Subscription Agreement shall have been duly obtained, and such approvals shall not have been amended, withdrawn, revoked or cancelled and, where any of the approvals are obtained subject to any conditions, such conditions being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the closing date for the first sub-tranche of Tranche 1 Notes, they are fulfilled;
- (d) all the registration and submission required to be carried out by the Company for the transactions contemplated under the Subscription Agreement to any relevant authorities shall have been duly carried out;
- (e)
 - (i) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement including the warranties shall be accurate and correct in all respects at, and as if made on, the closing date of the first sub-tranche of Tranche 1 Notes;
 - (ii) the Company shall have performed all of its undertakings or obligations hereunder to be performed on or before the closing date of the first sub-tranche of Tranche 1 Notes; and
 - (iii) there shall have been delivered to the Subscriber a certificate, dated as of the closing date of the first sub-tranche of Tranche 1 Notes, of a duly authorised officer, to such effect; and
- (f) there shall have been delivered to the Subscriber, each in form and substance satisfactory to the Subscriber certified on or dated, as the case may be, on or before the closing date of the first sub-tranche of Tranche 1 Notes:-
 - (i) the documents listed in Schedule 1 of the Subscription Agreement;

- (ii) certified true copies of (aa) the resolutions of the directors' meeting of the Company; and (bb) the resolutions of Shareholders at a general meeting of the Company (all duly certified by a director and company secretary or two directors of the Company), approving the offer or sale, or invitation to subscribe or purchase, or the issue, of the Notes, and the allotment and issue of the Conversion Shares upon the exercise of the right of conversion in respect of the Notes in accordance with the terms of the Subscription Agreement and the Conditions;
- (iii) certified true copies of the approvals obtained by the Company (all duly certified by a director and company secretary or two directors of the Company); and
- (iv) such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscriber.

1.3.2. Conditions to each of the respective closings of the remaining Notes

Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for each sub-tranche of the remaining Notes unless the following conditions have been satisfied:-

- (a) the approval of Shareholders obtained by the Company at a general meeting of the Company for the offer or sale, or invitation for subscription or purchase, or the issue, of the Notes, the allotment and issue of the Conversion Shares upon the exercise of the Conversion Rights in respect of the Notes and all other matters in relation thereto and in connection therewith, shall remain effective and not have been amended, withdrawn, revoked or cancelled on or prior to each subsequent closing date;
- (b) all the approvals obtained by the Company for the transactions contemplated under the Subscription Agreement, shall not have been amended, withdrawn, revoked or cancelled on or prior to each subsequent closing date and, where approvals were obtained subject to any conditions, such conditions being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent closing date, they were fulfilled;
- (c)
 - (i) all the representations, warranties, undertakings and covenants of the Company set forth in the Subscription Agreement including the Warranties shall be accurate and correct in all respects at, and as if made on, that closing date;
 - (ii) the Company shall have performed all of its undertakings or obligations hereunder to be performed on or before that closing date; and
 - (iii) there shall have been delivered to the Subscriber a certificate, dated as of that closing date, of a duly authorised officer, to such effect; and
- (d) on or prior to each closing date of the first sub-tranche of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes, as the case may be, there shall have been delivered to the Subscriber, each in form and substance satisfactory to the Subscriber certified on or dated, as the case may be, on that closing date:-
 - (i) the documents listed in Schedule 1 of the Subscription Agreement; and
 - (ii) such other approvals, documents, legal opinions and certificates as may be required or deemed necessary by the Subscriber.

1.4 Issue And Subscription of the Notes

1.4.1 Issue and subscription of Tranche 1 Notes

Subject to the terms and conditions of the Subscription Agreement, the Company agrees to issue and the Subscriber agrees to subscribe for, Tranche 1 Notes at the Issue Price:-

- (a) in respect of the first sub-tranche of Tranche 1 Notes, on the fifth Business Day immediately after the last of the conditions precedent is fulfilled or waived by the Subscriber (if capable of being waived), or such other date as the Parties may agree in writing, such date being the closing date of the first sub-tranche of Tranche 1 Notes; and
- (b) in respect of each of the subsequent sub-tranches of Tranche 1 Notes, on the fifth Business Day after the Tranche 1 Conversion Date in respect of the immediately preceding sub-tranche of Tranche 1 Notes or such other date as the Parties may agree in writing, such date being the closing date of such subsequent sub-tranche of Tranche 1 Notes.

1.4.2 Issue and subscription of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes

- (a) Subject to the terms and conditions of the Subscription Agreement, the Subscriber hereby grants to the Company an option in respect of each of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes (collectively the "**Options**" and each, an "**Option**") to require the Subscriber to subscribe for such Notes from the Company at the Issue Price during the relevant Option Period (as defined herein).
- (b) To exercise an Option, the Company shall notify the Subscriber in writing in the form set forth in Schedule 5 of the Subscription Agreement (the "**Exercise Notice**") at any time during the relevant Option Period in respect of that Option.
- (c) Upon receipt of the Exercise Notice from the Company in respect of Tranche 2 Notes, the Subscriber shall be obliged to subscribe, and the Company shall be obliged to issue, at the Issue Price:-
 - (i) the first sub-tranche of Tranche 2 Notes on the fifth Business Day following the date of the Exercise Notice or such other date as the Parties may agree in writing, such date being the closing date of the first sub-tranche of Tranche 2 Notes; and
 - (ii) thereafter, in respect of each subsequent sub-tranche of Tranche 2 Notes, on the fifth Business Day after the Tranche 2 Conversion Date in respect of the immediately preceding sub-tranche of Tranche 2 Notes or such other date as the Parties may agree in writing, such date being the closing date of such subsequent sub-tranche of Tranche 2 Notes.
- (d) Upon receipt of the Exercise Notice from the Company in respect of Tranche 3 Notes, the Subscriber shall be obliged to subscribe, and the Company shall be obliged to issue, at the Issue Price:-
 - (i) the first sub-tranche of Tranche 3 Notes on the fifth Business Day following the date of the Exercise Notice or such other date as the Parties may agree in writing, such date being the closing date of the first sub-tranche of Tranche 3 Notes; and
 - (ii) thereafter, in respect of each subsequent sub-tranche of Tranche 3 Notes, on the fifth Business Day after the Tranche 3 Conversion Date in respect of the immediately preceding sub-tranche of Tranche 3 Notes or such other date as the Parties may agree in writing, such date being the closing date of such subsequent sub-tranche of Tranche 3 Notes.
- (e) Upon receipt of the Exercise Notice from the Company in respect of Tranche 4 Notes, the Subscriber shall be obliged to subscribe, and the Company shall be obliged to issue, at the Issue Price:-
 - (i) the first sub-tranche of Tranche 4 Notes on the fifth Business Day following the date of the Exercise Notice or such other date as the Parties may agree in writing, such date being the closing date of the first sub-tranche of Tranche 4 Notes; and

- (ii) thereafter, in respect of each subsequent sub-tranche of Tranche 4 Notes, on the fifth Business Day after the Tranche 4 Conversion Date in respect of the immediately preceding sub-tranche of Tranche 4 Notes or such other date as the Parties may agree in writing, such date being the closing date of such subsequent sub-tranche of Tranche 4 Notes.

"Option Period" means:-

- (i) in respect of Tranche 2 Notes, the period commencing from and including the Tranche 1 Conversion Date of the last of the Notes comprised in the last sub-tranche of Tranche 1 Notes to and including the tenth Business Day thereafter or such other period as the Parties may agree in writing;
- (ii) in respect of Tranche 3 Notes, the period commencing from and including the Tranche 2 Conversion Date of the last of the Notes comprised in the last sub-tranche of Tranche 2 Notes to and including the tenth Business Day thereafter or such other period as the Parties may agree in writing; and
- (iii) in respect of Tranche 4 Notes, the period commencing from and including the Tranche 3 Conversion Date of the last of the Notes comprised in the last sub-tranche of Tranche 3 Notes to and including the tenth Business Day thereafter or such other period as the Parties may agree in writing.

1.5 Termination

1.5.1 The Subscriber's Ability to Terminate

Notwithstanding anything to the contrary in the Subscription Agreement, the Subscriber may at its absolute discretion, by notice in writing to the Company, terminate the Subscription Agreement at any time before the time on the relevant closing date when payment would otherwise be due under Clause 6, in any of the following circumstances:-

- (a) there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations, warranties, undertakings and covenants set forth in the Subscription Agreement including any of the warranties or the failure to perform any of the Company's representations, warranties, undertakings, covenants or obligations set forth in the Subscription Agreement in any material respect; or
- (b) if in the opinion of the Subscriber:-
 - (i) there shall have been any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, or affecting the properties, which materially and adversely affects the ability of the Company and/or its Subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement and the Conditions; or
 - (ii) there shall have been an imposition of a new legal or regulatory restriction not in effect on the date hereof, or any change in the interpretation of existing legal or regulatory restrictions, that adversely affects the ability of the Company and/or its Subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement, or the offering, sale or delivery of the Notes or the Conversion Shares; or
- (c) an event of default has occurred in respect of any notes, bonds or other similar securities of the Company or any of its Subsidiaries issued and outstanding; or
- (d) there shall have been a suspension, or material limitation, of trading of any shares of the Company by the SGX-ST for five consecutive Business Days; or

- (e) there shall have been a delisting or an order for delisting or a threatened delisting of the Company from the SGX-ST. For the avoidance of doubt, a threatened delisting shall exclude the Company being placed on the Watch List of the SGX-ST; or
- (f) an Event of Default has occurred and is continuing; or
- (g) any of the approvals, consents or waivers obtained by the Company are revoked, rescinded or cancelled prior to the relevant closing date or, where any of such approvals were obtained subject to any conditions which were required to be fulfilled on or before each closing date, they were not fulfilled.

1.5.2 Consequences of Termination

Upon notice being given by the Subscriber in accordance with Section 1.5.1 above:-

- (i) all outstanding Notes shall immediately become due and payable at the discretion of the Subscriber at 125% of the principal amount of the outstanding Notes together with all accrued interest thereon without further formality;
- (ii) the Subscription Agreement shall terminate and be of no further effect save that the Company shall remain liable for its obligations under any Notes which have become due and payable, the payment of all costs and expenses already incurred or incurred in consequence of such termination, and the respective obligations of the Parties which would have continued had the arrangements for the issue and subscription of the Notes been completed shall continue and the Company shall remain liable for any antecedent breaches; and
- (iii) notwithstanding anything to the contrary, such termination shall be without prejudice to any rights of the Subscriber and ACPAM which may have accrued prior to termination.

For the avoidance of doubt, nothing herein shall affect the Notes or the Conversion Shares already issued to the Subscriber pursuant to the Subscription Agreement and the obligations of the Company to the Subscriber and ACPAM or any other person in respect of such Notes or the Conversion Shares under the Subscription Agreement or otherwise, those provisions shall continue to survive termination.

1.6 Fees in relation to the Proposed Notes Issue

1.6.1 Preparation fee

The Company will bear all costs and expenses (including applicable tax) reasonably incurred by the Subscriber and ACPAM, including but not limited to fees and expenses and applicable tax of the Subscriber's and ACPAM's legal advisers in connection with the preparation of the Subscription Agreement. Notwithstanding, if not more than three redraft of the Subscription Agreement were required during the preparation of the Subscription Agreement, the Company shall only be required to bear such costs and expenses of up to an amount of S\$20,000.

The Company further agrees that to facilitate the payment thereof, the Subscriber shall be entitled to deduct from the subscription moneys payable to the Company for the subscription of the Notes directly.

1.6.2 Administrative fee

An administrative fee of 5% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes issued is payable to ACPAM on each closing date of each such sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes, as the case may be.

The Company agrees that to facilitate payments by the Company under this provision, such amounts of administrative fees payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of each sub-tranche of the Notes.

1.6.3 Cancellation fee

A cancellation fee of S\$30,000 is payable to the Subscriber in the event that the Subscription Agreement is terminated for any reason whatsoever prior to the closing date of the first sub-tranche of Tranche 1 Notes. For the avoidance of doubt, the acceptance of the cancellation fee by the Subscriber is in addition and without prejudice to all other rights or remedies available to it, including but not limited to the right to claim damages.

1.7 Information on the Subscriber and ACPAM

Advance Opportunities Fund I (the ‘**Subscriber**’) is an open-ended fund incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2016 and has its registered office at P.O. box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The Subscriber is structured as a regulated mutual fund with the Cayman Islands Monetary Authority.

Advance Capital Partners Asset Management Private Limited (“**ACPAM**”) is a company incorporated in Singapore on 5 June 2013 and has its registered office at 10 Anson Road, #20-08A International Plaza, Singapore 079903. ACPAM is a registered fund management company with the Monetary Authority of Singapore and has been appointed by the Subscriber to serve as the discretionary investment manager of all the investments of the Subscriber.

Mr Tan Choon Wee is the principal director and shareholder of the Subscriber and ACPAM.

Mr Tan Choon Wee is also the principal and sole director of Advance Opportunities Fund (“**AOF**”) and as at the date of this announcement, AOF holds approximately 93,626,483 or approximately 8.91% of the existing issued and paid-up share capital of the Company. AOF had also provided financing for the Company via an equity link notes which have expired on 9 October 2015.

1.8 Rationale and use of proceeds

The Company is undertaking the Proposed Notes Issue to strengthen its financial and general working capital. Prior to entering into the Proposed Notes Issue, the Directors had considered other funding alternatives. However, in view of the Group’s current financial performance and position, the Group have not been able to secure other meaningful source of fundings.

The Proposed Notes Issue will allow the Company to raise net cash proceeds (after deducting estimated expenses of approximately S\$1,000,000) of approximately S\$19,000,000 (the “**Net Proceeds**”), which will be utilised as follows:

- (i) 70% of the Net Proceeds will be used for investments and general corporate purposes; and
- (ii) 30% of the Net Proceeds will be used as general working capital purposes for repayment of fees, *inter alia*, professional fees.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company’s interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with

specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

2. DIRECTORS VIEW

The Board has explored various alternative sources of financing possibilities but was unable to obtain any alternative financing for the Group in view of its current financial position and performance. Thus, the Board is of the view that the Proposed Notes Issue is in the best interest of the Company and its Shareholders as it will ensure the ability of the Group to continue to operate as a going concern.

3. EXTRAORDINARY GENERAL MEETING

The Proposed Notes Issue and issue and allotment of the Conversion Shares are subject to the approval of the Shareholders at an extraordinary general meeting to be convened. In this regards, a circular to the Shareholders containing, *inter alia*, further information on the Proposed Notes Issue and the notice of the extraordinary general meeting will be despatched to the Shareholders in due course.

4. 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 Listing Manual of the SGX-ST Section B: Rules of Catalist (“**Catalist Rules**”), and, where applicable, the Singapore Code on Take-overs and Mergers. Furthermore, the Proposed Notes Issue 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 issue of the Notes, the Conversion Shares and generally, for the transactions contemplated under the Subscription Agreement; 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.

Further details including, *inter alia*, dilution impact, financial effects, risk factors, restrictions and pre-emptive rights, minimum conversion price and floor price and the maximum number of Conversion Shares which could be issued will be disclosed in due course via a separate announcement and/or a circular.

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 Notes Issue, issuance of Shares to controlling interest, transfer of controlling interest, interested person transactions.

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.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Notes Issue, other than through their respective shareholdings in the Company. None of the Directors or controlling Shareholders of the Company or their respective associates have any connection (including business relationship) with the Subscriber and ACPAM.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is 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.

7. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares in the Company. The Proposed Notes Issue is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Notes Issue 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.

8. 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 Notes Issue, 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
1 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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