



2016

ANNUAL REPORT

CONTENTS

01	CORPORATE PROFILE
02	LETTER TO SHAREHOLDERS
03	BOARD OF DIRECTORS
05	OPERATIONS REVIEW
07	CORPORATE DIRECTORY
08	FINANCIAL REVIEW
10	CORPORATE GOVERNANCE STATEMENT
39	FINANCIAL CONTENTS
105	STATISTICS OF SHAREHOLDINGS
107	NOTICE OF ANNUAL GENERAL MEETING
	PROXY FORM

*This annual report 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**") except for the matters in connection with the listing requirements for mineral, oil and gas companies. The Shareholders should note the Company's non-compliance with the listing requirements for mineral, oil and gas companies as well as the opinion issued by the independent auditor, inter alia, emphasis of matter on the Group and the Company's ability to continue as a going concern. The Company's Sponsor has not independently verified the contents of this annual report including the correctness of any of the figures used, statements or opinions as well as basis or assumptions for such statements or opinions made by the Company, the Directors, the Management or otherwise.*

This annual report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

*The contact person for the Sponsor is Mr. Liao H. K.
Telephone number: 6221 0271*

CORPORATE PROFILE

Infinio Group Limited (“Infinio” and together with its subsidiaries, the “Company”) ventured into the mineral resource industry in year 2014 with the acquisition of Summit Light Ventures Ltd, which holds the mining and prospecting licenses of Birthday Gold Mine in the Bullfinch area in Western Australia.

The Company’s existing main asset is the Birthday Mine but currently there has been no material works done on the mine and the Company is seeking potential investor or partner to invest the Birthday Mine and to manage the mine operation.

The license of the online gaming business had expired in June 2015 and was not renewed as this is not in line with the strategic business for the Group.

With the view to building new earnings stream for the future, Infinio is continuing to seek new investment opportunities.

Infinio is a Mineral Oil and Gas (MOG) company and is listed on the Catalist board of SGX-ST.

LETTER TO SHAREHOLDERS

Dear Shareholders,

It has been another challenging year for the Infinio Group and its subsidiaries as the Group is actively seeking out new business opportunities.

Currently there are no material operation works done on the Birthday Mine due to limited funding available and the Company is seeking potential investor or partner to invest in the Birthday Mine and to manage the mine operation.

Management recognizes that the existing business requires significant funding to get operational however we have not been able to secure agreement on funding. Accordingly the Company continues to seek new business opportunities that can provide profit and cash flows for the Company.

The Group remains reliant on the redeemable convertible notes and loan from shareholder as source of funding and this has been necessary to keep the Company going. The Company continues to search for investors and projects which will enable the Company to establish a stable business.

Moving forward, the Company aims to grow through strategic investment and acquisitions and trading in the resource industry as well as new business opportunities.

LIM YEOW SUN

EXECUTIVE DIRECTOR

BOARD OF DIRECTORS

MR LIM YEOW SUN EXECUTIVE DIRECTOR

MR LIM is an Executive Director and key management of Infinio Group. He has previously represented BF Goodrich Aerospace as their exclusive representative in Indonesia for the aviation industry. He was also involved in minerals and resources trading and coal and gold related processing equipment, and has more than 30 years of experience in the jewellery industries. His network of contacts and prior experience in business development and resource trading stands him in good stead to help spearhead the Company's diversification of the business of the Group into mining-related businesses.

MR HONG SEONG SOO NON-EXECUTIVE DIRECTOR

MR HONG has served as a Director of our Group since June 2003. He acted as the Group's Acting CEO and served as CEO of Infinio Korea Co., Ltd, the Group's wholly-owned subsidiary before his resignation as Executive Director of our group. He was re-appointed as a Non- Executive Director of the Group on 4 December 2012.

He has more than 20 years of international experience in Marketing and Project Management in the media content industry. He also has a broad range of expertise in strategic management, market development, operations, finance and human resource management. Both the Group and its subsidiaries have benefited from his strong worldwide network relationships in the industry, as well as his vast experience in multimedia education content, solution and delivery device. He is also a director of Gamespark Pte Ltd and Onegame Pte Ltd.

Mr Hong holds a Bachelor of Business Administration from Korea University.

BOARD OF DIRECTORS

MR ANDY KUN SWEE TIONG INDEPENDENT DIRECTOR

MR KUN has served as an Independent Director of our Group since 4 June 2009 and currently chairs the Board's Nominating Committee.

He is currently the Director of Green Laurel Pte. Ltd. Mr Kun has vast experience in banking and finance and was with Singapore Banking Corporation Ltd (SBC Bank) in Cambodia for 21 years where he had held different management roles as well as President & CEO, and had been instrumental in transforming the bank into one of the country's most dynamic institutions in terms of banking, customer and community services. He retired from SBC Bank as Executive Chairman on 30 September 2013. Mr Kun had also served more than 20 years in the Association of Banks in Cambodia during which he had held various leadership roles including the position of Secretary General, Vice Chairman and Chairman. In addition, he was Chairman of the Cambodia Institute of Banking from 2003 – 2012, and a board member of the country's Rural Electrification Fund ran by the Ministry of Industry, Mines & Energy from 2006 – 2012.

Mr Kun holds a Bachelor of Commerce (Accounting and Finance) from Murdoch University in Australia.

MR CHNG HEE KOK INDEPENDENT DIRECTOR

MR CHNG was appointed as an Independent Director of the Company on 25 September 2015 and currently chairs the Board's Audit Committee and Remuneration committee. He is Chairman of Ellipsiz Ltd. Mr Chng had served as the Chief Executive Officer of Scotts Holdings Limited, Yeo Hiap Seng Limited, Hartawan Holdings Ltd, HG Metals Manufacturing Ltd. and LH Group Ltd. He was a Member of Parliament of Singapore from 1984 to 2001. Mr Chng served on the board of Sentosa Development Corporation and Singapore Institute of Directors. Currently he sits on the boards of a number of public listed companies which include Samudera Shipping Line Limited, Chinasing Investment Holdings Ltd. China Flexible Packaging Ltd and Full Apex (Holdings) Limited. Mr Chng was awarded a Merit Scholarship by the Singapore Government and graduated with a BEng (First Class Honours) from the University of Singapore in 1972. He also holds a MBA from the National University of Singapore.

OPERATIONS REVIEW

It was another challenging year for the Group. After the acquisition of the Birthday Mine, operations in general remained hampered by the limited funding available to the Company and the on-going negotiation with the potential investors/third parties to invest in the Birthday Mine and to manage the mine operation made no progress.

The Company continues to look for business opportunities that can generate cash flow.

Mining

With the acquisition of the Birthday Mine in 2014, the Company is an MOG company and it had undertaken to commission and complete the JORC report upon completion of the acquisition. However, while work has commenced with that intention, the Company has not yet been able to provide the needed resources confirmation in accordance with JORC guidelines for the completion of the JORC report.

The initial drilling was carried out between 23 June 2014 to 2 July 2014. Unfortunately, the reported assay results from drilling were relatively disappointing and following discussions with various geologists, due to a lack of funding, the drilling program was suspended. The Company has been unable to proceed with these mining plans and was unable to bring the mining business into full commercial operation. However, the Company is still negotiating with the potential investors to invest in the Birthday Mine and to manage the mine operation without any capital expenditure to the Company.

The Company is currently non-compliance with MOG rules of the Catalist Rules with respect to the needed disclosures. Accordingly, this Annual Report does not contain the required disclosures in accordance with MOG guidelines.

The Directors are considering an application to the Singapore Exchange Securities Trading Limited ("SGX-ST"), for an extension of the time to comply with requirements to meet the MOG requirements (including the required disclosure requirement in this Annual Report). Appropriate announcements will be made in due course on the status of application and updates for the said mine.

An application for extension has not been made as at the date of this Annual Report.

OPERATIONS REVIEW

Shareholders are advised that in the absence of funding to be arranged, for *inter alia* the preliminary drilling for the preparation of, commissioning and completing of a JORC report to satisfy and comply with the Catalist Rules for MOG companies and the updates or results of such reports (including preliminary findings) on the mining activities, they should exercise caution in trading of the Company's securities.

Online gaming payments

The license of the online gaming business had expired in 30 June 2015 and was not renewed as this is not in line with the strategic business for the Group, accordingly the joint partnership agreement with the operator was terminated.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Lim Yeow Sun	<i>Executive Director</i>
Hong Seong Soo	<i>Non-Executive Director</i>
Kun Swee Tiong Andy	<i>Independent Director</i>
Chng Hee Kok	<i>Independent Director</i>

NOMINATING COMMITTEE

Kun Swee Tiong Andy	<i>Chairman</i>
Hong Seong Soo	<i>Member</i>
Chng Hee Kok	<i>Member</i>

AUDIT COMMITTEE

Chng Hee Kok	<i>Chairman</i>
Kun Swee Tiong Andy	<i>Member</i>
Hong Seong Soo	<i>Member</i>

REMUNERATION COMMITTEE

Chng Hee Kok	<i>Chairman</i>
Kun Swee Tiong Andy	<i>Member</i>
Hong Seong Soo	<i>Member</i>

COMPANY SECRETARY

Lee Bee Fong

REGISTERED OFFICE

80 Robinson Road #02-00
Singapore 068898
Tel: 6236 3333, Fax: 6236 4399

PLACE OF BUSINESS

28 Kallang Place #04-03
Singapore 339158
Tel: 6336 2338, Fax: 6291 5954

**SHARE REGISTRAR AND
SHARE TRANSFER OFFICE**

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

INDEPENDENT AUDITOR

Foo Kon Tan LLP
47 Hill Street #05-01
Singapore Chinese Chamber of
Commerce & Industry Bldg
Singapore 179365
Partner in Charge:
Raymond Kong Chih Hsiang
Financial year appointed: 31 March 2015

PRINCIPAL BANKERS

United Overseas Bank Limited
Standard Chartered Bank

FINANCIAL REVIEW

Income Statement Analysis

The Group's revenue for the financial year ended 31 March 2016 ("FY 2016") decreased by 88% or \$40,000 as compared to the previous financial year. The decrease was mainly due 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.

Administration expenses increased by 14% or \$0.5 million to \$4.0 million in FY 2016 from \$3.5 million in the previous financial year. The increase in administration expense of \$0.5 million was mainly due to higher impairment loss and amortisation expense on the mining rights of \$1.33 million (FY2016 – \$2.88 million vs FY 2015 – \$1.55 million), offset by one-off expenses, which comprised (i) loss on disposal of available-for-sale financial assets of \$0.34 million and (ii) exploration and evaluation expenditure of \$0.22 million recognised in the previous financial year. During the period under review, the Group has undertaken further cost-cutting measures, which eventually saw a reduction in staff and related costs by \$0.13 million in the current financial year.

Finance costs increased by \$21,000 to \$30,000 in FY 2016 due to the additional interest expense payable on the loan extended by Advance Opportunities Fund amounting to \$0.4 million at an interest rate of 12% per annum.

As a result of the above, the Group incurred a higher net loss of \$4.01 million in FY 2016 as compared to \$3.39 million in FY 2015.

Financial Position and Cash Flow Analysis

As at 31 March 2016, the Group and the Company had cash and cash equivalent of \$4,000 and \$3,000 respectively.

The Group's non-current assets decreased from \$4,911,000 as at 31 March 2015 to \$2,026,000 as at 31 March 2016 due to impairment losses and amortisation charges recognised on the mining rights.

The Group's current assets decreased from \$77,000 as at 31 March 2015 to \$39,000 as at 31 March 2016 due to reduction in deposits and prepayments.

The Group's current liabilities increased from \$2,734,000 as at 31 March 2015 to \$3,117,000 as at 31 March 2016 due to (i) the drawn down of an unsecured, interest-free loan extended by Atlas Capital Pte Ltd amounting to \$482,000, which is repayable on demand and (ii) accrual of FY 2016 directors' fees of \$95,000. The increase was offset by payment of accrued professional fees during the financial year.

FINANCIAL REVIEW

As at 31 March 2016, the Group's shareholder's equity was negative at \$1,052,000. The decrease in the Group's shareholder's equity of \$3,300,000 was attributable to the loss of \$4,014,000 recognised for the financial year, offset by the issuance of placement shares to KKI International Limited and issuance of new ordinary shares for the equity-linked redeemable structured notes of \$324,000 and \$400,000 respectively.

The Group's net cash used in operating activities has deteriorated from \$976,000 in FY 2015 to \$1,194,000 in FY 2016 which was in line with the higher loss before tax in FY 2016 as well as negative effect on changes in working capital. The Group recorded net cash inflow from financing activities of approximately \$1,190,000 in FY 2016 mainly due to proceeds from shareholder loan, subscription of equity-linked notes and placement shares amounting to \$482,000, \$400,000 and \$324,000 respectively.

As at 31 March 2016, the Group reported a deficiency in net current assets of \$3,078,000 due to outstanding payable in respect of (i) purchase consideration for the acquisition of mining asset, (ii) unpaid directors' remuneration and fees, (iii) short term advances from shareholders and (iv) other accrued operating expenses mainly professional fees.

Subsequent to the financial year ended 31 March 2016, and the announcement on 6 May 2016, the Company would like to update shareholders that after protracted discussions with various parties, the Company will not proceed with the Proposed Placement referred to in the announcement on 1 September 2016. Instead, 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**"). For further details of the Proposed Notes Issue, please refer to the separate announcement dated 1 September 2016 on the Proposed Notes Issue.

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.

Shareholders should note that the Proposed Notes Issue and the proposed debt conversion are subject to certain conditions precedent, including, *inter alia*, the approval from the Shareholders and the listing quotation notice from the SGX-ST, which have not been fulfilled as at the date of this announcement.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the “Board”) of Infinito Group Limited (the “Company”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “Group”) and adopts practices based on the Code of Corporate Governance 2012 (the “Code”) and the prevailing Section B: Rules of Catalist of the Listing Manual (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). As sound corporate governance ensures greater transparency, protecting and enhancing the interests of its shareholders as well as strengthening investors’ confidence in its management and financial reporting, the Company will continually review its corporate governance processes to strive to fully comply with the Code.

The main corporate governance practices adopted by the Group and the Company are outlined below:–

1. BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

Every company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Board sets strategic objectives and overall business direction of the Group, with a particular focus on identifying new core business, major investments, disposals and funding matters for the Group. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets. The Board also manages the Group in the best interests of the shareholders as well as the interest of stakeholders and pursues the continual enhancement of the long-term shareholder value.

To assist the Board in executing its duties, the Board has delegated specific functions to the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”) of the Company.

The Board conducts regular scheduled meetings and attendance by Directors during the year was regular. Ad-hoc meetings are also arranged as and when the need arises. The Company’s Articles of Association Permit Directors to attend meetings through the use of audio-visual communication equipment.

CORPORATE GOVERNANCE STATEMENT

Attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, are as follows:

Attendance at Meetings

Name	Board of Directors		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Yeow Sun	3	3	2	1*	1	1*	2	2
Hong Seong Soo	3	3	2	2	1	1	2	2
Kun Swee Tiong Andy	3	3	2	2	1	1	2	2
Choo Siew Lohk ⁽¹⁾	3	2	2	1	1	1	2	1
Chng Hee Kok ⁽²⁾	3	2	2	1	1	1	2	2
Wong Kuan Kit Keith ⁽³⁾	3	1	2	1	1	1	2	0

Notes:

(1) Mr Choo Siew Lohk resigned from the Board on 30 November 2015.

(2) Mr Chng Hee Kok has been appointed as Independent Director on 25 September 2015.

(3) Mr Wong Kuan Kit Keith resigned from the Board on 30 July 2015.

* Attendances by invitation

The profile of each Director and the relevant information as at the date of this Annual Report are set out on pages 03 and 04 of this Annual Report. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

CORPORATE GOVERNANCE STATEMENT

The Board oversees the business affairs of the Group, approves the financial objectives and the strategies to be implemented by Management and monitors the standards of performance and issues of policies directly. In addition to its statutory duties, the Board's principal functions are to:

- (a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- (b) supervise the overall management of the business and affairs of the Group, review management performance and approve the Group's corporate and strategic policies and direction;
- (c) formulate and approve financial objectives of the Group and monitor its performance such as reviewing and approving of results announcements and approving of financial statements;
- (d) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- (e) oversee the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person's transactions;
- (f) assume responsibility for corporate governance and compliance with the Companies Act, Cap. 50 (the "Act") of Singapore and the rules and regulations of the revised regulatory bodies;
- (g) evaluate performance of Management;
- (h) review and approve the remuneration framework for the Board and key executives.
- (i) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

CORPORATE GOVERNANCE STATEMENT

- (j) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (k) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Without abdicating its responsibility, the Board has delegated its authority to make decisions on certain matters to board committees, details of which are set out herein. Matters which are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, share issuance and the proposing of dividends. Clear directions are also given to the Management on matters that must be approved by the Board. The Board's approval is required for matters that are likely to have a material impact on the Group's operations as well as matters other than in the ordinary course of business.

The Board has adopted a set of internal guidelines on the matters requiring Board approval. Certain functions have also been delegated to various Board Committees, namely the AC, the NC and the RC. Each Committee operates within clearly defined terms of reference and operating procedures, which would be reviewed on a regular basis.

New Directors are appointed by way of a Board Resolution, after the NC has approved their nomination. The Group has instituted an orientation program for new Directors to familiarise them with the Group's core business and governance practices. In addition, for newly appointed Director who does not have prior experience in a listed company, the Company has provide some training in area such as accounting, legal and also enroll them for the Listed Company Director Programme organised by the Singapore Institute of Directors. Directors also given opportunities to visit the Group's operational facilities and meet with management staffs to obtain a better understanding of the Group's history, business operations, policies, strategic plans and objectives, as well as the duties and responsibilities as Directors. The Company has provide a formal letter to the newly appointed Director setting out his duties and responsibilities.

In order for the Board to fulfill its responsibilities, prior to Board Meetings, the Management will provide the Board with management accounts and the relevant background information and documents relating to items of business to be discussed at a Board Meeting before the scheduled Meeting. All Directors are regularly briefed on the business activities of the Group.

CORPORATE GOVERNANCE STATEMENT

All Directors are updated regularly on the changes in company policies, board process, regulations, accounting standards, corporate governance and best practices in compliance with the relevant legislation and regulations including the Catalyst Rules.

Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, the Board is updated regularly on these changes. All directors receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. These training activities are arranged and funded by the Company. For FY2016, no training provided as Company has not sufficient cash to fund such training.. The Executive Director will brief all newly appointed Directors on the business activities of the Group and its strategic directions as well as the duties and responsibilities as Directors.

Briefings and updates provided to the members of the Board during the financial year under review were:-

- Update on business operations
- Update on audit findings for financial year ended 31 March 2016
- Update of potential acquisition and fund raising issue

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this report, the Board comprises one Executive Director, one Non-Executive Director and two Independent Directors.

The Independent Directors ("IDs") have confirmed that they do not have any relationship with the Company or its related companies and its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

CORPORATE GOVERNANCE STATEMENT

The NC reviews the independence of each Director annually. The NC adopts the Code's definition of what constitutes an Independent Director in its review.

The NC is of the view that the current composition of the Board exhibits a level of independence that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from the Management. The NC is also of the view that no individuals or small groups of individuals dominate the Board's decision making processes. The Board has determined, taking into account the views of the NC, that each Independent Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, that director's judgement.

The Board is of the view that the size of the current Board comprising four Directors is appropriate, with reference to the scope and extent of the Group's operations. The Board considers that its composition of Directors is well-balanced, each Director having well-mixed knowledge, business network and commercial experience. Coupled with the independence element provided by the Independent Directors, the Board considers itself effective and capable of ensuring all corporate strategies are well directed while all proposals and significant issues brought to the Board by the executive management are thoroughly discussed and examined, focusing on the long term interests of the Group.

The Non-Executive Director aims to assist in the development of proposals on strategy by constructively challenging Management. The Non-Executive Director would also review the performance of the Management in the meetings.

To-date, none of the IDs of the Company has been appointed as a Director of the Company's principal subsidiaries. The Board and the Management are of the view that the current Board structures in the principal subsidiaries are well organised and constituted. None of the IDs have served on the Board beyond 9 years from the respective date of their first appointment. In the event any ID's tenure of service with the Company extends beyond 9 years, he/she should be subject to particularly rigorous review.

The Board and the Management will from time to time review the Board structures of the principal subsidiaries and will make an appropriate corporate decision to consider the appointment of the Independent Director, if necessary, into the principal subsidiaries.

CORPORATE GOVERNANCE STATEMENT

The NC reviews the independence of each Director annually. The NC adopts the Code's definition of what constitutes an Independent Directors in its view.

To facilitate a more effective check on Management, non-executive directors are encouraged to meet regularly without the presence of Management.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the Executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

The Company currently does not have a Chairman. The Chairman has not previously been appointed due to the Company's evolving business and changes in its management staffs. The Company may consider the appointment of a Chairman once the Company's core business has been stabilized.

As at the date of this report, there is one Executive Director in the Company, namely Mr Lim Yeow Sun ("Mr Lim") who was appointed as the Executive Director of the Company on 13 March 2014 and re-appointed on 30 July 2014. Mr Lim was previously involved in minerals and resources trading and coal and gold related processing equipment. His network of contacts and prior experience in business development and resource trading stands him in good stead to help spearhead the Group's diversification of the business activity into mining-related businesses.

Mr Lim has full responsibilities over the business directions and operational decisions of the Group. The IDs review all major decisions made by the Executive Director. The NC periodically reviews their performances and their appointments to the Board whilst the RC periodically reviews their remuneration packages. With the existence of various Board Committees with power and authority to perform key functions, the Board is of the view that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

CORPORATE GOVERNANCE STATEMENT

Currently, the Company has two IDs, Mr Kun Swee Tiong Andy and Mr Chng Hee Kok The Company does not have a Lead ID as recommended under Recommendation 3.3 of the Code. The Board will consider such appointment when the need arises. In the absence of Lead ID, any concerns or queries by Shareholders may be sent to the Registered Office Address of the Company or the Company email address at feedback@infiniogroup.com.

The IDs meet regularly without the presence on the Executive Director. Thereafter, they provide feedback to the Executive Director and the Management.

The Company do not have a Chairman at the moment, Mr Lim Yeow Sun, Executive Director will assumes the duty of a Chairman to carried out the duties as:-

- (a) lead the Board to ensure its effectiveness on all aspects of its role;
- (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promote a culture of openness and debate at the Board;
- (d) ensure that the directors receive complete, adequate and timely information;
- (e) ensure effective communication with shareholders;
- (f) encourage constructive relations within the Board and between the Board and Management;
- (g) facilitate the effective contribution of non-executive directors in particular; and
- (h) promote high standards of corporate governance.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The NC comprises non-Executive Directors, a majority of whom including the Chairman, are independent. The members are Mr Kun Swee Tiong Andy (Chairman), Mr Hong Seong Soo and Mr Chng Hee Kok.

The NC's written Terms of Reference describe its responsibilities, including:

- (a) deciding on how the Board's performance is to be evaluated and proposing objective performance criteria, subject to the approval by the Board;
- (b) determining on an annual basis whether or not a Director is independent, guided by the independent guidelines contained in the Code;
- (c) reviewing and recommending the nomination and re-nomination of Director having regard to the Director's contribution and performance;
- (d) reviewing and approving new employment of Director/related persons based on selection criteria such as incumbent's credentials and his/her skills and contributions required by the Company and the proposed terms of their employment; and
- (e) reviewing the training and professional development programmes for the Board.
- (f) reviewing of the board succession plans for Directors.

The Company believes that Board's renewal must be an on-going process, to ensure good governance and to maintain relevance to the business as well as changing needs of the Group.

CORPORATE GOVERNANCE STATEMENT

The search and nomination process for new Directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process. New Directors are appointed after the NC has reviewed and nominated them for appointment. Such new Directors will submit themselves for re-election at the Annual General Meeting ("AGM") of the Company.

New Directors are appointed by way of a Board Resolution, after the NC has approved their nomination. In its search and selection process for new Directors, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the caliber to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group. The Company's Articles of Association require one-third of the Directors (excluding the Managing Director) to retire and subject themselves to re-election by shareholders at every AGM. In other words, no Director stays in office for more than three years without being re-elected by shareholders. This will enable all shareholders to exercise their rights in selecting all Board members. Directors of or over 70 years of age are required to be re-elected every year at the AGM under Section 153(6) of the Companies Act, Cap. 50 before they can continue to act as Director.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Group's business and that each Director, through his unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC recommended that the following Directors who are retiring at the forthcoming AGM to be nominated for re-election. The retiring Directors have offered themselves for re-election and the Board has accepted the recommendations of the NC.

CORPORATE GOVERNANCE STATEMENT

Name	Article No. to retire under
-------------	------------------------------------

Mr Chng Hee Kok	– Article 117
Mr Hong Seong Soo	– Article 107

- Mr Chng Hee Kok will, upon re-election as a Director, remain as the Chairman of the AC and RC and a member of NC.
- Mr Hong Seong Soo will, upon re-election as a Director, remain as the member of the AC, RC and NC.

A Director with multiple board representations is expected to ensure that sufficient time and attention is given to the affairs of the Group. To allow for flexibility, there will not be a fixed maximum number of listed company board representations which Directors may hold as NC and the Board are of the view that the number of directorships a Director can hold and his principal commitment should not be prescriptive as the time commitment for each board membership may vary. While the NC and the board will not stipulate the maximum number of listed company board representations each Director should be involved in, it will continue to monitor the contributions and the performance of each Director and to assess whether he has devoted sufficient time and attention to the affairs of the Group. The NC having considered the confirmations received from Chng Hee Kok and list of Directorships and attendance recorded at the meeting of the Board and Board Committees in FY2016, is of the view that such multiple board representations do not hinder the Directors from carrying out their duties in the Company. The NC is also satisfied that sufficient time and attention have been accorded to the affairs of the Company. The Board concurred with the NC's views.. Other than Mr Chng Hee Kok, none of the directors of the Company has any other listed company board representation for financial year ended 31 March 2016. In addition, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company and each Director is able to and has been adequately carrying out his/her duties as Director of the Company.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

CORPORATE GOVERNANCE STATEMENT

The date of Director's first appointment, last re-election and their past directorships in other listed companies over the preceding three years and other principal commitments are set out below:

Name of Director	Current position held	Date of first Appointment	Date of Last re-appointment	Present Directorships in Listed Companies	Past Directorships in Listed Companies	Other Principal Commitment if any
Lim Yeow Sun	Executive Director	13 March 2014	30 July 2014		–	–
Hong Seong Soo	Non-Executive Director	30 July 2010	30 July 2014		–	–
Kun Swee Tiong Andy	Independent Director	04 June 2009	30 July 2015		–	–
Chng Hee Kok	Independent Director	25 September 2015	–	1. Samudera Shipping Line Limited 2. Chinasing Investment Holdings Ltd 3. China Flexible Packaging Ltd 4. Full Apex (Holdings) Limited 5. Ellipsiz Ltd. 6. Luxking Group Holdings limited 7. United Food Holdings Ltd	1. Pacific Century Regional Developments Ltd 2. Peoples Food Holdings Ltd 3. LH Group Ltd	–

CORPORATE GOVERNANCE STATEMENT

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The Non-Executive Director regularly reviews the performance of Management in meeting agreed goals and objectives and monitors the reporting of performance.

A formal review of the Board's performance will be undertaken collectively and individually by the Board annually. The NC will also review the Board's performance informally with inputs from the other Board members and the Executive Director. The evaluation exercise is carried out annually by way of a Board Assessment Checklist, which is circulated to the Board members for completion and thereafter, for the NC to review and determine the actions required to improve the corporate governance of the Company and effectiveness of the Board and Committees of the Board as a whole.

In view of the limited business operations of the Group at this point of time, performance criteria has not been set by the NC. This will be established once the business operations are in order.

Directors are evaluated individually through the director self assessment and board assessment form submitted by individual director. Other factors taken into consideration with regards to the re-nomination of Directors for the current year are based on their attendances and contributions made at these meetings. Renewal or replacement of Directors does not necessarily reflect their contribution to-date, it may be due to the need to position and shape the Board in line with the needs of the Group and its business.

CORPORATE GOVERNANCE STATEMENT

Principle 6: Access to Information

In order to fulfill their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfill its responsibilities, Management is required to provide complete, adequate and timely information to the Board on Board affairs and issues that require Board's decision as well as on-going reports relating to operational and financial performance of the Company and the Group. Whenever appropriate, senior managers who can provide additional insight in the matters to be discussed are invited to attend the Board meeting.

The Board has separate and independent access to the senior management and the Company Secretary at all times. The Company Secretary also ensures good information flows within the Board and its board committees and between Management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. Directors are entitled to request additional information from the Management for making of informed decisions and the Management shall provide the same in a timely manner. Information provided include board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results should also be disclosed and explained.

Where necessary, the Company will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties.

The Company Secretary is responsible for ensuring compliance of the Board procedures relevant rules and regulations governing the Company. The appointment and the removal of the Company Secretary are subject to the Board's approval as a whole.

CORPORATE GOVERNANCE STATEMENT

2. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

The RC comprises two IDs and one Non-Executive Director. The members are Mr Chng Hee Kok (Chairman), Mr Kun Swee Tiong Andy and Mr Hong Seong Soo.

The RC's written Terms of Reference describes its responsibilities, including:

- (a) reviewing and recommending a remuneration framework and determine specific remuneration packages for the Executive Director and key management personnel of the Company, to provide a greater degree of objectivity and transparency in determining the remuneration of Executive Director; and
- (b) conduct annual review of the remuneration packages of employees who are related to any Directors or any substantial shareholders of the Company, if any.

CORPORATE GOVERNANCE STATEMENT

The RC's recommendations should be submitted for endorsement by the entire Board. The RC should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, and benefits in kind.

The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. No remuneration consultant was appointed for FY2016.

The RC aims to be fair and avoid rewarding poor performance. The RC ensures that a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and key management personnel. Although the recommendations are made in consultation with the Executive Director, the remuneration packages are ultimately approved by the entire Board. No Director will be involved in deciding his own remuneration.

The RC reviews the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are fair, commensurate with performance and not overly generous.

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration policy is aligned with the interests of the shareholders and promotes long-term success of the Group.

Long-term incentive schemes are generally encourage for the Directors and key management personnel. The RC had reviewed the Directors and key management personnel who are eligible for benefit under the long-term incentive schemes. The long-term incentives scheme of the Company is Infinio Group Limited Share Option Scheme ("Scheme"). However, the scheme has lapsed and currently, there is no core business within the Company. Directors will think about incentive scheme when the Group's core business has been established.

CORPORATE GOVERNANCE STATEMENT

The Executive Director, namely Mr Lim, have entered into a service agreement ("**Service Agreement**") with the Company since 1 March 2014. The Service Agreement covers the terms of employment, specifically salary and other benefits, termination clause, retirement and post-employment benefits. The Service Agreement is subject to annual renewal, to be reviewed by the Board in consultation with the RC on such terms and conditions as both parties may agree.

The remuneration of IDs should be determined by his contribution to the Company, taking into account factors such as effort and time spent as well as his responsibilities on the Board.

Directors' Remuneration

The Company is aware of the requirement of full disclosure of the remuneration of each individual director and the key management personnel under the Code. In view of market competition and information sensitivity, the Board believes that disclosure of each director's and key management personnel's remuneration breakdown in remuneration bands, in percentage terms is sufficient.

The Executive Directors' remuneration consists of salary, allowances and bonuses. Directors' fees for IDs are subject to shareholders' approval at the AGM.

The Company had considered contractual provisions to allow company to reclaim incentive components of remuneration from EDs and key management personnel in exceptional circumstances.

CORPORATE GOVERNANCE STATEMENT

The following table shows the remuneration of each individual Director for the financial period under review:

The remuneration of each individual Director during the financial year under review is disclosed as follows on a named basis with a breakdown in percentage terms of each Directors' remuneration in bands of S\$250,000.

Remuneration Band and Name of Director	Salary* (%)	Bonus# (%)	Fees (%)	Benefits (%)
Above S\$250,000				
Below S\$250,000				
Wong Kuan Kit Keith (resigned on 30 July 2015)	100	–	–	–
Lim Yeow Sun	100	–	–	–
Hong Seong Soo	–	–	100	–
Kun Swee Tiong Andy	–	–	100	–
Choo Siew Lohk (resigned on 30 November 2015)	–	–	100	–
Chng Hee Kok (Appointed on 25 September 2015)	–	–	100	–

* Salary is inclusive of allowance, CPF and other emoluments

Bonus is inclusive of CPF

Remuneration of Key Management Personnel

During the financial year under review, the Company has only two key management personnel, namely Mr Lim Yeow Sun and Mr Wong Kuan Kit Keith (Resigned on 30 July 2015). None of the key executives were paid more than the sum of S\$250,000 a year as disclosed above.

CORPORATE GOVERNANCE STATEMENT

Remuneration of Other Employees Related to a Director

There are no employees in the Group whose annual remuneration exceeds S\$50,000 who are immediate family members of the any Directors of the Company during the financial year ended 31 March 2016.

3. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board acknowledges that it is accountable to the shareholders and is mindful of the obligations to furnish timely information and to ensure full disclosure of material information in both legislative and compliance with statutory reporting requirements. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within legally prescribed periods.

The Board provides the shareholders with a detailed and balanced explanation and analysis of the Group's performance, position and prospects on a half yearly basis. The Management provides the Board with appropriately detailed management accounts of the Group's performance and prospects on a half yearly basis. The Management deems that half-yearly reporting to the Board is sufficient in view of the limited business operations at this point of time.

CORPORATE GOVERNANCE STATEMENT

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has required the Management to maintain a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The Board determines the Group's levels or risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. The Group regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Group also consistently improves and adopts the recommendations highlighted by the external auditors and the Sponsor to safeguard the Group's internal controls.

The Board reviews at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Based on the internal controls established and maintained by the Group, work performed by the external auditors, and reviews performed by the Management, various Board Committees and the Board, the Board, with concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance risks, information technology controls, and risk management systems were adequate as at date of this Annual Report.

In addition, the Board has also received assurances from the Executive Director and the Accounting Manager that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are sufficiently effective. The risk committee function is currently being assumed by the board to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies.

CORPORATE GOVERNANCE STATEMENT

Principle 12: AC

The Board should establish an AC with written terms of reference which clearly set out its authority and duties

The AC of the Company is made up of one Non-Executive Director and two IDs, among whom the two IDs possess appropriate accounting experience and/or related financial management expertise. Mr Chng Hee Kok, an Independent Director of the Company, chairs the AC. The other members of the AC are Mr Kun Swee Tiong Andy and Mr Hong Seong Soo.

The Company's AC provides a channel of communication between the Board, Management and external auditors on matters relating to audit. The responsibilities of the AC include:

- (a) Reviews with external auditors' on their audit plans, their scope and results of the external audit and their the independence and objectivity;
- (b) Review the external auditors' reports and the letter to the Management and the Management's response;
- (c) Review the assistance given by the Management to the external auditors;
- (d) review and report to Board Yes at least annually the internal control procedures and the adequacy and effectiveness of the Group's internal controls, financials, operational, compliance, information technology controls and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interims and final audits, and any matters which auditors may wish to discuss (in absence of the Management, where necessary), if any;
- (e) Review the significant financial reporting issues and judgements of the Company and the Group so as to ensure integrity of the financial statements of the Group;

CORPORATE GOVERNANCE STATEMENT

- (f) Review the half-yearly and annual announcements as well as the press release on the results and financial positions of the Company and the Group before submission to the Board for approval;
- (g) Recommend to Board on the appointment, re-appointment and removal of external auditors and approving the remuneration and terms of engagement of the external auditors;
- (h) Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rule of SGX-ST, and by such amendments made thereto from time to time;
- (i) Review interested person transactions (if any) falling within the scope of Catalist Rule of SGX-ST;
- (j) Review the remuneration packages of employees who are related to the Directors and/or substantial shareholders; and
- (k) review potential conflicts of interest (if any).

Apart from the functions listed above which the AC duly carried out during the financial year under review, the AC shall also commission and review the findings of internal investigations into matters with external auditors where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The Auditors have kept the AC abreast of changes to accounting standards and issues, if any, which have a direct impact on financial statements through updates and/or reports from time to time, where applicable and relevant.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE STATEMENT

In addition to the above, the AC will meet with the external auditors, in the absence of the Management, at least once a year. The external auditors has unrestricted access to the AC.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money considerations. The AC has reviewed the independence of the Company's external auditors and is satisfied with the independence and objectivity of the external auditors. The aggregate amount of fees paid/payable to the external auditors of the Company and subsidiaries for audit services was S\$67,500 (2015: S\$69,600). There were no non-audit services provided by the external auditors of the Company for the financial year ended 31 March 2016.

The AC has recommended to the Board the nomination of Messrs. Foo Kon Tan LLP., for reappointment as external auditors of the Company at the forthcoming AGM.

The Group overseas subsidiaries namely Infinio Korea Co. Ltd, Summit Light Ventures Ltd and Infinio Mining Pty Ltd do not required a statutory audit; the external auditors will perform audit work scope to satisfy the Group audit requirement. The Board and AC have reviewed that the accounting records for its overseas subsidiaries were satisfied that it would not compromise the standard and effectiveness of the audit of the Group.

The Company confirms that Rules 712 and 715 of the Catalist Rules of the SGX-ST have been complied with.

The AC has reviewed the annual financial statements of the Company and the Group for the financial period ended 31 March 2016 as well as the Auditors' Reports thereon. Interested Persons Transactions of the Group in the said financial period have also been reviewed by the AC, where applicable.

Every AC member shall abstain from voting on any resolutions in respect of matters in which he is or may be interested in.

CORPORATE GOVERNANCE STATEMENT

The AC has incorporated a whistle blowing policy into the Company's internal control procedures to provide a channel for staff to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and to appropriate follow-up action. There have been no reported incidents pertaining to whistle blowing for during the financial year under review.

As at the date of this report, none of the former partner or director of the Company's external auditors' firm has been appointed as a member of the AC.

Principle 13: Internal Audit

The Company should establish an internal audit function that is adequately resourced and independent of the activities it audits

As of the date of this report, no internal auditors has been appointed by the Company as the monitoring of internal functions may not be a top priority for the Company due to more critical matter of establishing a strong core business first. The AC is currently looking into the formation of the internal audit function and whether this function will be outsourced to a qualified and professional firm or undertaken internally.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

CORPORATE GOVERNANCE STATEMENT

Principle 16: Conduct of Shareholder Meeting

Companies should encourage greater shareholder participation at general meetings, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Company communicates information to its shareholders and the investing community through the release of announcements to the SGX-ST via SGXNET outside trading hours on a timely basis. Such announcements include the half-year and full-year results, material transactions and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST.

The Company's Annual Report together with the notice of the AGM is sent to all shareholders of the Company. The Company's main forum for dialogue with shareholders takes place at its AGM, whereas members of the Board, senior management and the external auditors are in attendance. At the AGM, shareholders are given the opportunity to express their views and ask questions regarding the Group.

The Company believes in encouraging shareholder participation at its general meetings. The Company's Articles of Association allow a shareholder entitled to attend and vote at general meetings to appoint not more than two proxies who need not be shareholders of the Company to attend and vote on his stead.

Corporations which provide nominees and custodial services could appoint up to two of proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings, via the Company's website or contact the executives at the Company's business office. All directors are available at the meetings to answer questions relating to their work.

At AGMs and other general meetings, separate resolutions will be set out on distinct issues for approval by shareholders. The Company prepares Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These Minutes will be available to shareholders upon their request.

CORPORATE GOVERNANCE STATEMENT

The Board noted that the SGX-ST had on 31 July 2013 introduced new listing rules to promote greater transparency in general meetings and support listed companies in enhancing their shareholders' engagement. The Company would be required to conduct its voting at general meetings by poll effect from 1 August 2015 where shareholders are accorded rights proportionate to the shareholding and all votes are counted. The Board noted that the new rule will enhance transparency of the voting process and encourage greater shareholder participation. Taking into account of the effective date of the new ruling and considering the cost efficiency and effectiveness, the Company will conduct poll voting for annual general meetings at 30 September 2016. The Company does not provide for absentia voting methods such as by mail, email or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

Currently, the Company does not have any investors policy, but the Company will devise an effective investor relations policy in future to regularly convey pertinent information to shareholders.

Since financial year 2010, the Company has not paid any dividends to shareholders as the Company had been making losses. As at the date of this report, the Company does not have a formal dividend policy in place. However, the Company, in determining the form, frequency and amount of future dividends on the Company's shares in any particular year, will take into account, among other things, the level of cash and retained earnings, the results of operations, the capital expenditure requirements, the expansion and/or investment plans and other factors that the Company's Directors may deem appropriate.

4. INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

CORPORATE GOVERNANCE STATEMENT

There were no interested person transactions entered during the financial year under review.

Name of Interested Person	Nature	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
NIL	NIL	NIL	NIL

5. NON-SPONSOR FEES

For the financial year ended 31 March 2016, there were no non-sponsor fees paid to the Company's Sponsor, Asian Corporate Advisors Pte. Ltd.

6. DEALINGS IN SECURITIES

The Company has adopted policies in relation to dealings in the Company securities pursuant to the SGX-ST Best Practices Guide that are applicable to all its Directors and officers. The Company and its officers should not deal in the Company's shares during the period commencing one month before half-year or full-year financial results announcement, as the case may be, and ending on the date of the announcements of the relevant results. Officers are cautioned not to deal in the Company's securities on short-term considerations.

Directors and key executives are also expected to observe the insider-trading laws at all times even when dealing with securities within the permitted trading period.

The Company confirms that Rule 1204(19) of the Catalist Rules of SGX-ST has been complied with.

CORPORATE GOVERNANCE STATEMENT

7. STATEMENT OF COMPLIANCE

The Board confirms that for the financial year ended 31 March 2016, the Company has generally adhered to the principles and guidelines as set out in the Code.

8. MATERIAL CONTRACTS

Save for the Service Agreements between the Executive Directors and the Company, there were no material contracts of the Company or its subsidiaries involving the interests of each Director or controlling shareholder, either still subsisting at the end of the financial year under review or if not then subsisting, entered into since the end of the previous financial year.

9. USE OF PROCEEDS

For the financial year ended 31 March 2016, the Company raised gross proceeds of an aggregate of S\$400,000 (net proceeds of S\$380,000) from the issuance of 5.0% equity linked redeemable structure convertible notes due 2015 from September 2015 and October 2015. The net proceeds have been utilized for the following purposes:

Use of Proceeds	S\$
Company's General Corporate and Working Capital Purposes:-	
Repayment of loan cum interest to KKI International Limited as announced on 14 May 2015 at an interest rate of 10%	182,136
General and administrative costs	
Staff cost	121,280
Directors fee	5,000
Fees to SGX	25,680
Professional fees	32,182
Insurance and others	13,722
Total	380,000

CORPORATE GOVERNANCE STATEMENT

The use of the proceeds as disclosed above is in accordance with the stated use in the Company's circular to shareholders dated 3 September 2012.

On 14 May 2015, the Company entered into an agreement for a placement of 120m new ordinary shares (the "placement shares") in the Company at an issue of \$0.0027 for each placement share. As announce on 25 May 2015, that the net estimated net proceeds of \$294,000 from the Placement shares have been fully utilized as follow:-

Use of Proceeds	S\$
Net proceeds	294,000
Payment in respect of existing Liabilities:-	
Professional fees	279,105
Listed company expenses	14,895
Total	294,000

The use of proceed is consistent with announcement dated 14 May 2015.

FINANCIAL CONTENTS

	Page
Directors' statement	40
Independent auditor's report	44
Statements of financial position	48
Consolidated statement of comprehensive income	49
Consolidated statement of changes in equity	50
Consolidated statement of cash flows	51
Notes to the financial statements	52

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The directors submit this statement to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 March 2016.

In our opinion,

- (a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2016 and the results, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, except as disclosed in Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Names of directors

The directors of the Company in office at the date of this report are:

Lim Yeow Sun
Hong Seong Soo
Kun Swee Tiong Andy
Chng Hee Kok (appointed on 25 September 2015)

Arrangements to enable directors to acquire shares, debentures, warrants or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body, other than as disclosed in this report.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Directors' interest in shares, debentures, warrants or options

According to the Register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had any interest in shares, debentures, warrants or options of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Shares registered in the name of director		Shares in which director is deemed to have an interest	
	As at 1.4.2015	As at 31.3.2016 and 21.4.2016	As at 1.4.2015	As at 31.3.2016 and 21.4.2016
The Company				
Lim Yeow Sun	1,200,000	1,200,000	–	–

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Chng Hee Kok (Chairman)
Hong Seong Soo
Kun Swee Tiong Andy

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

- (i) overall scope of external audit and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of their examinations and their evaluation of the Company's system of internal accounting controls;
- (ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Audit Committee (Continued)

- (iii) the adequacy, effectiveness and efficiency of the Company's risk management, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto at least on an annual basis;
- (iv) the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2016 as well as the auditor's report thereon; and
- (v) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

LIM YEOW SUN

HONG SEONG SOO

Dated: 8 September 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINIO GROUP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Infinio Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statement and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINIO GROUP LIMITED

Auditor's Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Emphasis of Matter

We draw your attention to Note 2 to the financial statements. The Group incurred losses and total comprehensive loss of \$4,014,000 and \$4,014,000 (2015 – \$3,394,000 and \$3,381,000) and reported net operating cash outflows of \$1,194,000 (2015 – \$976,000) for the financial year ended 31 March 2016; and as at that date, the Group's and the Company's current liabilities exceeded the Group's and the Company's current assets by \$3,078,000 and \$2,835,000 (2015 – \$2,657,000 and \$2,472,000) respectively.

As at 31 March 2016, the Group and the Company had cash and cash equivalents of \$4,000 and \$3,000 respectively, and the available cash balances are not sufficient to settle the outstanding current liabilities of the Group and the Company amounting to \$3.1 million and \$2.9 million respectively, comprising mainly (i) the remaining accrued consideration payable of \$0.95 million in connection with the acquisition of 100% interest in Summit Light Venture in FY 2014, (ii) unsecured shareholders' loan and related interest of \$0.9 million; (iii) amounts due to directors/ex-directors of \$0.5 million and other creditors and accrued expenses. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINIO GROUP LIMITED

Emphasis of Matter (Continued)

The directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as:-

- (a) 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; and
- (b) 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINIO GROUP LIMITED

If the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may need to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements. In forming our opinion, we have considered the adequacy of the disclosure of this matter in the financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 September 2016

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2016

		The Group		The Company	
		31 March 2016 \$'000	31 March 2015 \$'000	31 March 2016 \$'000	31 March 2015 \$'000
Note					
ASSETS					
Non-Current Assets					
Plant and equipment	4	–	4	–	4
Intangible assets	5	–	–	–	–
Mining rights	6	2,026	4,907	–	–
Investment in subsidiaries	7	–	–	2,026	4,907
		<u>2,026</u>	<u>4,911</u>	<u>2,026</u>	<u>4,911</u>
Current Assets					
Trade and other receivables	8	35	69	27	29
Cash and cash equivalents	9	4	8	3	5
		<u>39</u>	<u>77</u>	<u>30</u>	<u>34</u>
Total Assets		<u>2,065</u>	<u>4,988</u>	<u>2,056</u>	<u>4,945</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	10	44,010	43,302	44,010	43,302
Reserves	11	(45,037)	(41,031)	(44,819)	(40,863)
		<u>(1,027)</u>	<u>2,271</u>	<u>(809)</u>	<u>2,439</u>
Non-Controlling Interests		<u>(25)</u>	<u>(17)</u>	<u>–</u>	<u>–</u>
Total Equity		<u>(1,052)</u>	<u>2,254</u>	<u>(809)</u>	<u>2,439</u>
LIABILITIES					
Current Liabilities					
Trade and other payables	12	2,235	2,251	1,983	2,023
Borrowings	13	882	483	882	483
Total Liabilities		<u>3,117</u>	<u>2,734</u>	<u>2,865</u>	<u>2,506</u>
Total Equity and Liabilities		<u>2,065</u>	<u>4,988</u>	<u>2,056</u>	<u>4,945</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

		Year ended 31 March 2016 \$'000	Year ended 31 March 2015 \$'000
	Note		
Revenue	14	5	45
Cost of sales		–	–
Gross profit		5	45
Other income	15	11	83
General and administrative expenses		(4,000)	(3,513)
Finance cost		(30)	(9)
Loss before taxation	16	(4,014)	(3,394)
Income tax expense	17	–	–
Loss for the year		(4,014)	(3,394)
Other comprehensive (loss)/income after tax:			
Item that will be reclassified subsequently to profit or loss			
Currency translation differences		–	13
Other comprehensive (loss)/income net of tax of Nil		–	13
Total comprehensive loss for the year attributable to owners of the Company		(4,014)	(3,381)
Loss attributable to:			
Owners of the Company		(4,006)	(3,391)
Non-controlling interests		(8)	(3)
		(4,014)	(3,394)
Total comprehensive loss attributable to:			
Owners of the Company		(4,006)	(3,378)
Non-controlling interests		(8)	(3)
		(4,014)	(3,381)
Loss per share (cents)			
– basic	18	0.42	0.54
– diluted	18	0.42	0.54

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Share capital \$'000	Share options reserve \$'000	Translation reserves \$'000	Accumulated losses \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 April 2014	41,750	53	(56)	(37,650)	4,097	(14)	4,083
Loss for the year	–	–	–	(3,391)	(3,391)	(3)	(3,394)
Other comprehensive income	–	–	13	–	13	–	13
Total comprehensive loss for the year	–	–	13	(3,391)	(3,378)	(3)	(3,381)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Issuance of shares, net of share issue expenses	1,552	–	–	–	1,552	–	1,552
Transfer to accumulated losses upon lapse of share options	–	(53)	–	53	–	–	–
Balance at 31 March 2015	43,302	–	(43)	(40,988)	2,271	(17)	2,254
Loss for the year	–	–	–	(4,006)	(4,006)	(8)	(4,014)
Total comprehensive loss for the year	–	–	–	(4,006)	(4,006)	(8)	(4,014)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Issuance of shares, net of share issue expenses	708	–	–	–	708	–	708
Balance at 31 March 2016	44,010	–	(43)	(44,994)	(1,027)	(25)	(1,052)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Year ended 31 March 2016 \$'000	Year ended 31 March 2015 \$'000
Cash Flows from Operating Activities			
Loss before taxation		(4,014)	(3,394)
Adjustments for:			
Amortisation of intangible assets	5	–	15
Amortisation of mining rights	6	273	358
Depreciation of plant and equipment	4	4	4
Fair value (gain)/loss on financial derivatives	16	(83)	13
Impairment loss on mining rights	6	2,608	1,188
Loss on disposal of available-for-sale financial assets	16	–	339
Operating loss before working capital changes		(1,212)	(1,477)
Changes in working capital:			
Trade and other receivables		34	13
Trade and other payables		(16)	488
Net cash used in operating activities		(1,194)	(976)
Cash Flows from Investing Activities			
Acquisition of plant and equipment		–	(3)
Payment for new mining license		–	(33)
Partial payment for the acquisition of a subsidiary		–	(400)
Net cash used in investing activities		–	(436)
Cash Flows from Financing Activities			
Proceeds from disposal of available-for-sale financial assets		–	28
Share issue expenses		(16)	(48)
Proceeds from subscription of convertible notes		400	1,200
Proceeds from placement shares	10	324	–
Proceeds from shareholders' loans		728	–
Repayment of shareholders' loans		(246)	–
Net cash generated from financing activities		1,190	1,180
Net decrease in cash and cash equivalents		(4)	(232)
Cash and cash equivalents at beginning of year		8	240
Cash and cash equivalents at end of year	9	4	8

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

The Company is incorporated as a limited liability company and domiciled in Singapore and listed on the Catalist Exchange of Singapore.

The registered office of the Company is located at 80 Robinson Road, #02-00 Singapore 068898 and the principal place of business of the Company is located 28 Kallang Place #04-03 Singapore 339158.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

2 GOING CONCERN

The Group incurred losses and total comprehensive loss of \$4,014,000 and \$4,014,000 (2015 – \$3,394,000 and \$3,381,000) and reported net operating cash outflows of \$1,194,000 (2015 – \$976,000) for the financial year ended 31 March 2016; and as at that date, the Group's and the Company's current liabilities exceeded the Group's and the Company's current assets by \$3,078,000 and \$2,835,000 (2015 – \$2,657,000 and \$2,472,000) respectively. As at 31 March 2016, the Group and the Company had cash and cash equivalents of \$4,000 and \$3,000 and the available cash balances are not sufficient to settle its outstanding current liabilities of the Group and the Company amounting to \$3.1 million and \$2.9 million respectively, comprising mainly (i) the remaining accrued consideration payable of \$0.95 million in connection with the acquisition of 100% interest in Summit Light Venture in FY 2014, (ii) unsecured shareholders' loan and related interest of \$0.9 million; (iii) amounts due to directors/ex-directors of \$0.5 million and other creditors and accrued expenses. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 GOING CONCERN (CONTINUED)

The directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as:-

- (a) 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; and
- (b) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2 GOING CONCERN (CONTINUED)

If the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may need to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

3(A) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars which is the Company's functional currency. All financial information is presented in Singapore Dollars, unless otherwise stated.

The accounting policies used by the Group have been applied consistently to all periods presented in the financial statements.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only the financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(A) BASIS OF PREPARATION (CONTINUED)

Significant judgements in applying accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Income tax

The Group has exposure to income taxes in different jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payable at 31 March 2016 was \$Nil (2015 – \$Nil).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimate on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumption when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(A) BASIS OF PREPARATION (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment assessment of mining rights (Note 6)

The Group assesses at the end of each reporting period whether the mining rights acquired on Birthday Mine have any indication of impairment in accordance with its accounting policy. If there are indicators of impairment, the recoverable amount of the mining rights will be determined based on the value-in-use calculations. The value-in-use calculation is based on a discounted cash flow model. Significant judgements and assumptions are required in making estimates of the value-in-use calculation. It should be noted that the valuations are subject to variability in key assumptions, including but not limited to, long-term gold prices, currency exchange rates, discount rates, production and operating costs. An adverse change in one or more of the assumptions used could result in an increase or reduction in the value-in-use. Refer to sensitivity analysis in Note 6. The carrying amount of the mining rights as at 31 March 2016 was \$2.03 million (2015 – \$4.91 million).

Impairment of investments in subsidiaries (Note 7)

The Company assesses at each reporting date whether there is an indication that the investment in subsidiaries may be impaired. This requires an estimation of the value-in-use of the cash generating units. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the investment in subsidiaries, particularly the investment in Summit Light Venture, is dependent on the value-in-use calculation derived from the mining rights, since Summit Light Ventures is the legal owner of the mining rights. Any changes to the parameters noted in determining the recoverable amount of the mining rights in Note 6, would have the same effect on the carrying amount of the investment in subsidiaries. The carrying amount of the Company's investment in subsidiaries as at 31 March 2016 was \$2.03 million (2015 – \$4.91 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2015

On 1 April 2015, the Group adopted the new or amended FRS that are mandatory for application from that date. The adoption of the new and revised standards, amendments and interpretations of FRS did not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current period or prior financial year. This includes the following FRSs which are relevant to the Group.

Reference	Description
Improvements to FRSs (January 2014)	
FRS 24	<i>Related Party Transactions</i>
FRS 108	<i>Operating Segments</i>

Improvements to FRSs (January 2014) FRS 24 *Related Party Disclosures*

Improvements to FRSs (January 2014) FRS 24 *Related Party Disclosures* clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The improvements to FRSs (January 2014) FRS 24 *Related Party Disclosures* are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and the Company when implemented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2015 (CONTINUED)

Improvements to FRSs (January 2014) FRS 108 *Operating Segments*

The Improvements to FRSs (January 2014) FRS 108 *Operating Segments* clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. The improvements to FRSs (January 2014) FRS 108 *Operating Segments* are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and Company when implemented.

The adoption of the above amended standards does not have any impact on the basic and fully diluted loss per share of the Group.

3(C) FRS AND INT FRS NOT YET EFFECTIVE

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by ASC that are not yet effective, and have not been adopted early by the Group. Information on those expected to be relevant to the Group's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The directors do not anticipate that the application of these new and revised FRSs will have a material impact on the financial statements of the Group and the Company except for the following which may be relevant to the Group and may have a significant effect on the consolidated financial statements in future financial periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(C) FRS AND INT FRS NOT YET EFFECTIVE (CONTINUED)

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1	<i>Presentation of Financial Statements</i>	1 January 2016
Amendments to FRS 7	<i>Statement of Cash Flows</i>	1 January 2017
FRS 109	<i>Financial Instruments</i>	1 January 2018
FRS 115	<i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 116	<i>Leases</i>	1 January 2019

Amendments to FRS 1 *Presentation of Financial Statements*

The amendments to FRS 1 *Presentation of Financial Statements* clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and the Company when implemented.

Amendments to FRS 7 – *Statement of Cash Flows*

The amendments to FRS 7 *Statement of Cash Flows* are part of an initiative that ASC has undertaken to improve the effectiveness of disclosures in financial reports. Companies would need to reconcile cash flows arising from financial activities as reported in the statement of cash flows, excluding contributed equity, to the corresponding liabilities in the opening and closing statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(C) FRS AND INT FRS NOT YET EFFECTIVE (CONTINUED)

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments* replaces FRS 39 and it is a package of improvements introduced by FRS 109 includes a logical model for:

- classification and measurement of financial assets,
- a single, forward – looking “expected loss” impairment model and
- a substantially reformed approach to hedge accounting

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The adoption of FRS 109 will have an impact on the classification and measurement of financial assets, but no impact on the classification and measurement of financial liabilities. The Group is currently assessing the impact to the financial statements.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* requires the entity to recognise revenue which depict transfer of promised goods or services to customers in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. FRS is effective for the annual period beginning on or after 1 January 2018. Management is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 116 *Leases*

FRS 116 *Leases* replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 *Leases* that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 is effective for annual periods beginning on or after 1 January 2019. The Group is in progress to reassess all leases where it is a lessee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions eliminated on consolidation

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial effects reflect external transactions and balances only.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries (Continued)

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the depreciable amount of these assets over their estimated useful lives as follows:

Furniture and fittings	3 – 5 years
Equipment	3 – 5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing. License and development costs are amortised over 5 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to rise.

Mining rights

Mining rights comprise costs incurred for acquiring and renewing mining rights and exploration rights. Mining rights acquired under an acquisition of assets or business combination are recognised at fair value. Mining rights are stated at cost, less accumulated amortisation and accumulated impairment losses. Mining rights are amortised on a straight-line basis over the licensed tenure of 18 years.

Goodwill on acquisition

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquire and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquired and the fair value of the acquirer's previously held equity interest in the acquired (if any), the excess is recognised immediately in statement of comprehensive income as a bargain purchase gain.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in the statement of comprehensive income when received, regardless of how the related carrying amount of financial assets is measured.

The Group and the Company does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables comprise trade and other receivables and cash and cash equivalents, excluding prepayments and net input GST recoverable.

They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of cash management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the statement of comprehensive income. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the statement of comprehensive income over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as the current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Convertible loan notes

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (Continued)

Convertible loan notes (Continued)

This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. Conversion features that fail equity classification are accounted for as derivative liability and accounted for separately from the host instruments.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the statement of comprehensive income.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

Leases

Where the Group is the lessee,

Operating leases

Rentals on operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the statement of comprehensive income when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the statement of comprehensive income when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Current and deferred income taxes are recognised as income or expense in statement of comprehensive income.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Pension obligations

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which they have operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the statement of comprehensive income in the period to which the contributions relate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Directors are considered key management personnel.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets, other than inventories and deferred tax assets, subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (Continued)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill.

Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the statement of comprehensive income unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statement of comprehensive income, a reversal of that impairment loss is recognised as income in the statement of comprehensive income.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

A reversal of an impairment loss is recognised as income in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements of the Group and the Company are presented in Singapore Dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the statement of comprehensive income.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting the statement of comprehensive income are presented in the income statement within “other losses – net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conversion of foreign currencies (Continued)

Group entities

The results and financial position of all the Group entities (*none of which has the currency of a hyperinflationary economy*) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the end of that statement of financial position;
- (ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Earnings per share

Basic and diluted earnings per share amounts are calculated by dividing net profit for the year attributable to the owners of the Company by the number of ordinary shares outstanding during the financial years.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All operating segments' operating results are reviewed regularly by the Group's directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating segments (Continued)

Additional disclosures on operating segments are shown in Note 20 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured. Revenue from online gaming is recognised when services are rendered.

Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities.

The particular recognition methods adopted are disclosed in the individual policy statement associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

4 PLANT AND EQUIPMENT

The Group and the Company	Furniture and fittings \$'000	Equipment \$'000	Total \$'000
<u>Cost</u>			
At 1 April 2014	148	9	157
Additions	—	3	3
At 31 March 2015	148	12	160
Written-off	(131)	—	(131)
At 31 March 2016	17	12	29
<u>Accumulated depreciation</u>			
At 1 April 2014	143	9	152
Depreciation for the year	1	3	4
At 31 March 2015	144	12	156
Depreciation for the year	4	—	4
Written-off	(131)	—	(131)
At 31 March 2016	17	12	29
<u>Net book value</u>			
At 31 March 2016	—	—	—
At 31 March 2015	4	—	4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

5 INTANGIBLE ASSETS

The Group	Licenses and development costs \$'000	Goodwill on consolidation \$'000	Total \$'000
<u>Cost</u>			
At 1 April 2014, and 31 March 2015	992	6,078	7,070
Written-off	(992)	(6,078)	(7,070)
At 31 March 2016	-	-	-
<u>Accumulated depreciation and impairment losses</u>			
At 1 April 2014	977	6,078	7,055
Amortisation charge for the year	15	-	15
At 31 March 2015	992	6,078	7,070
Written-off	(992)	(6,078)	(7,070)
At 31 March 2016	-	-	-
<u>Carrying Amount</u>			
At 31 March 2016	-	-	-
At 31 March 2015	-	-	-

Amortisation expense on licence and development costs of approximately \$15,000 had been recognised in "Administrative expenses" in the consolidated statement of comprehensive income for the financial year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

6 MINING RIGHTS

	The Group \$'000
<u>Cost</u>	
At 1 April 2014	6,450
Additions	33
At 31 March 2015 and 2016	6,483
<u>Accumulated amortisation and impairment losses</u>	
At 1 April 2014	30
Amortisation charge for the year	358
Impairment loss	1,188
At 31 March 2015	1,576
Amortisation charge for the year	273
Impairment loss	2,608
At 31 March 2016	4,457
<u>Carrying amount</u>	
At 31 March 2016	2,026
At 31 March 2015	4,907

The mining rights relate to the "Birthday Mine" which encompasses a total area of 58.5ha (comprising 55ha held pursuant to the Mining Lease 77/450 and the 3.5ha pursuant to the Prospecting Licence 77/3982) located about 35 kilometres north of Bullfinch, Western Australia. The Mining Lease 77/450 was issued by the Department of Mines and Petroleum, Australia, commencing on 29 September 1990 and expiring on 19 September 2032.

Management has obtained approval from the Department of Mines and Petroleum, Australia to convert the existing Prospecting Licence 77/3982 into a General Purpose Lease G77/123 which allows the Group to either (i) erect, place and operate machinery in connection with mining operations, (ii) deposit or treat minerals obtained from any land; and (iii) use the land for any other specified purpose directly connected with mining operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

6 MINING RIGHTS (CONTINUED)

In accordance with the Group's accounting policies, management performs impairment testing at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The delay in the exploration and evaluation activities in respect of the areas of interest since the date of acquisition due to lack of funding by the Group represented an indicator of impairment.

The Group assessed the recoverable amount of the mining rights (also known as its cash-generating unit or "CGU") based on a value-in-use approach using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs, inflation rates and capital requirements, based on the CGU life-of-mine ("LOM") plans. Estimates on quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process documents, budgets as well as reports prepared by management's expert. The Group's budget was developed in the context of the current market environment and outlook, including movement in the gold price.

Following the assessment, management recognised an impairment loss of \$2.6 million (2015 – \$1.2 million) on the carrying amount of mining rights and was recognised in "Administrative expenses" in the statement of comprehensive income.

Key assumptions:

- Gold price is estimated at US\$1,231 (2015 – US\$1,170) per ounce with reference to external market forecasts, including Bloomberg estimates and the current average gold price;
- The discount rate applied was based on 19% (2015 – 10%) per annum; and
- Life-of-mine is based on the remaining mining right license of 17 years (2015 – 18 years) to FY 2032 while operating and capital costs assumptions are based on (i) the Group's latest forecast and budget and/or (ii) benchmarking and taking reference from projects that are close to the Group's area of interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

6 MINING RIGHTS (CONTINUED)

It is estimated that changes in key assumptions would have the following approximate impact on the value-in-use of the mining rights in its functional currency that has been subject to impairment in the financial statements. Each of the sensitivities above assume that the specific assumption moves in isolation, while all other assumptions are held constant.

	2016 \$'000	2015 \$'000
Gold price		
– Increase by US\$50	(193)	(998)
– Decrease by US\$50	193	998
Production costs		
– Increase by compounded inflation rate 2.42% to 2.52% per annum	457	645
– Decrease by compounded inflation rate 2.42% to 2.52% per annum	(378)	(645)
Discount rate		
– Increase by 1%	102	350
– Decrease by 1%	(110)	(385)

7 INVESTMENT IN SUBSIDIARIES

	2016 \$'000	2015 \$'000
The Company		
Unquoted equity investment, at cost	11,939	11,939
Impairment losses	(9,913)	(7,032)
	2,026	4,907

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The change in impairment losses in respect of investment in subsidiaries during the year is as follows:

	2016 \$'000	2015 \$'000
The Company		
At 1 April	7,032	5,489
Impairment losses	2,881	1,543
At 31 March	9,913	7,032

Details of the subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investment		Percentage of equity held		Principal activities
		2016	2015	2016	2015	
		S\$'000	S\$'000	%	%	
Summit Light Ventures Ltd ⁽²⁾	British Virgin Islands	6,450	6,450	100	100	Dormant
Infinio Mining Pty Ltd ⁽²⁾	Australia	— ⁽³⁾	— ⁽³⁾	100	100	Dormant
Infinio Resources Pte Ltd ⁽¹⁾	Singapore	99	99	100	100	Dormant
Infinio Korea Co. Ltd ⁽²⁾	South Korea	240	240	100	100	Dormant
Onegame Pte Ltd ⁽¹⁾	Singapore	5,150	5,150	83	83	Inactive
Roomwise Holdings Pte Ltd ⁽¹⁾	Singapore	— ⁽³⁾	— ⁽³⁾	100	100	Dormant
		11,939	11,939			

(1) Audited by Foo Kon Tan LLP

(2) Audited by Foo Kon Tan LLP for consolidation purposes

(3) Investments in these subsidiaries are below S\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7 INVESTMENT IN SUBSIDIARIES (CONTINUED)

As at the reporting date, management carried out a review of the recoverable amount of its investment in Summit Light Ventures Ltd, which is the sole legal owner of mining rights as described in Note 6.

The review led to the recognition of an impairment loss of \$2.9 million (2015 – \$1.5 million) that has been recognised in the statement of comprehensive income of the Company. The recoverable amount of Summit Light Ventures Ltd has been determined based on the value-in-use methodology.

In FY2014, the Company acquired 100% equity interest in Summit Light Ventures Ltd ("Summit Light") for a consideration of \$6.45 million. The Company paid the vendors of Summit Light \$1.5 million in cash and issued 1.2 billion ordinary shares at \$0.003 per ordinary share amounting to \$3.6 million as partial consideration for the acquisition of Summit Light in FY2014 (See Note 10). The Company paid an additional \$0.4 million to the vendors in FY2015. As at 31 March 2016, approximately \$0.95 million (2015 – \$0.95 million) remained unpaid and was included in "trade and other payables" in the statement of financial position (See Note 12).

8 TRADE AND OTHER RECEIVABLES

	2016 \$'000	2015 \$'000
The Group		
Trade receivables	55	60
Allowance for impairment losses	(55)	(55)
Net trade receivables	–	5
Deposits	11	28
Other receivables	2	3
Loans and receivables	13	36
Input GST recoverable, net	9	11
Prepayments	13	22
	35	69

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

8 TRADE AND OTHER RECEIVABLES (CONTINUED)

	2016 \$'000	2015 \$'000
The Company		
Amount due from subsidiaries	1,120	1,087
Allowance for impairment losses	(1,120)	(1,087)
Net amounts due from subsidiaries	–	–
Other receivables	–	1
Deposits	11	11
Loans and receivables at amortised cost	11	12
Input GST recoverable, net	11	2
Prepayments	5	15
	27	29

The loans and receivables recorded in the Company's level do not have any credit terms.

Impairment losses

The ageing of loans and other receivables at the reporting date is:

	As at 31 March 2016 Impairment			As at 31 March 2015 Impairment		
The Group	Gross \$'000	losses \$'000	Net \$'000	Gross \$'000	losses \$'000	Net \$'000
No credit terms	13	–	13	31	–	31
Not past due	–	–	–	5	–	5
Past due more than 12 months	55	(55)	–	55	(55)	–
	68	(55)	13	91	(55)	36

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

8 TRADE AND OTHER RECEIVABLES (CONTINUED)

The change in impairment losses in respect of loans and other receivables during the year is as follows:

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
At 1 April	55	55	1,087	1,687
Allowance made during the year	–	–	33	291
Allowance utilised during the year	–	–	–	(891)
At 31 March	55	55	1,120	1,087

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

Non-trade amounts due from subsidiaries and non-related parties are unsecured, non-interest bearing and are repayable on demand.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	28	54	27	29
Australian Dollar	1	9	–	–
Korean Won	6	6	–	–
	35	69	27	29

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

9 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash in hand	–	1	–	1
Cash at bank	4	7	3	4
	4	8	3	5

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	3	5	3	5
Korean Won	1	3	–	–
	4	8	3	5

10 SHARE CAPITAL

	Number of ordinary shares			
	2016	2015	2016	2015
	('000)	('000)	\$'000	\$'000
The Company				
Issued and fully paid, with no par value				
At 1 April	681,304	4,746,425	43,302	41,750
Share consolidation	–	(4,271,783)	–	–
Issuance of shares for 5% equity linked redeemable structured notes due 2015	250,000	206,662	400	1,600
Issuance of placement shares	120,000	–	324	–
Share issue expenses	–	–	(16)	(48)
At 31 March	1,051,304	681,304	44,010	43,302

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

10 SHARE CAPITAL (CONTINUED)

During the current financial year, 250,000,000 (2015 – 206,662,000) new ordinary shares were issued pursuant to the Subscription Agreement entered on 22 June 2012 (see Note 13). On 14 May 2015, the Company issued 120 million new ordinary shares ("Placement Shares") at \$0.0027 per share to KKI International Limited, a company incorporated in the British Virgin Islands, pursuant to the Share Placement Agreement.

On 7 April 2014, the Company completed a share consolidation of every ten (10) existing issued ordinary shares in the capital of the Company held by shareholders of the Company, into one (1) ordinary share. Fractional entitlements are disregarded.

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at the meetings of the Company. All share rank equally with regard to the Company's residual assets.

11 RESERVES

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Translation reserve	(43)	(43)	–	–
Accumulated losses	(44,994)	(40,988)	(44,819)	(40,863)
	(45,037)	(41,031)	(44,819)	(40,863)

Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

12 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Trade payables	417	570	311	467
Accrued consideration payable	950	950	950	950
Other payables	62	51	31	30
Interest payable	24	–	24	–
Accrued expenses	261	226	146	122
Amount due to directors/ ex-directors	521	454	521	454
Financial liabilities at amortised costs	2,235	2,251	1,983	2,023

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

Accrued consideration payable relates to the outstanding balance due to the ex-vendors of Summit Light and are unsecured, non-interest bearing and are repayable on demand.

The amounts due to directors/ex-directors are non-trade related, unsecured, non-interest bearing and are repayable on demand.

Trade payables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	2,116	2,154	1,945	1,994
Australian Dollar	31	20	–	–
United States Dollar	13	13	13	13
Hong Kong Dollar	17	16	17	16
Korean Won	50	48	–	–
Renminbi	8	–	8	–
	2,235	2,251	1,983	2,023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

13 BORROWINGS

	2016 \$'000	2015 \$'000
The Group and the Company		
Financial liabilities (Note A)	–	389
Derivative liabilities	–	94
Loans from shareholders (Note B)	882	–
	882	483

Note A:

On 22 June 2012, the Company signed a subscription agreement (the “Subscription Agreement”) relating to the issue of 5.0% equity linked redeemable structured convertible notes (the “Convertible Notes”) in aggregate principal amount of up to \$10,000,000 comprising five tranches of principal amount of \$2,000,000 each with Advance Opportunities Fund and Value Capital Asset Management Private Limited (the “Subscribers”) respectively.

Each tranche shall comprise ten equal sub-tranches of \$200,000 each. The Convertible Notes shall entitle the holder thereof to 5.0% interest per annum, and on the terms and conditions stipulated in the Subscription Agreement, be convertible into ordinary shares in the capital of the Company which are listed on the Official List of Catalist.

The Company raised gross proceeds of an aggregate of S\$5,400,000 from a series of conversion of Convertible Notes as at date of this report.

Following the expiry of the Convertible Notes on 9 October 2015, the Company successfully negotiated with the Subscribers to convert the Convertible Notes into an unsecured short-term loan, which bears interest at 12% per annum. On 30 June 2016, the Company announced that the repayment date has been further extended to 30 September 2016.

The outstanding convertibles notes as at 31 March 2015 were subsequently converted into ordinary shares of the Company on 16 July 2015.

Note B:

The 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, repayable on 30 September 2016 as mentioned in Note (A), and
- (ii) Unsecured interest-free loan extended by Atlas Capital Pte Ltd amounting to \$482,000 and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

14 REVENUE

	2016 \$'000	2015 \$'000
The Group		
Online gaming	<u>5</u>	<u>45</u>

15 OTHER INCOME

	2016 \$'000	2015 \$'000
The Group		
Income from Productivity & Innovation Credit ("PIC") Scheme	–	19
Foreign exchange gains/(losses), net	1	(2)
Jobs credit	4	–
Sundry income	6	–
Write-back of trade and other payables	–	66
	<u>11</u>	<u>83</u>

16 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

		2016 \$'000	2015 \$'000
The Group	Note		
<u>Included in "general and administrative expenses"</u>			
Audit fees		68	70
Amortisation of intangible assets	5	–	15
Amortisation of mining rights	6	273	358
Consultancy fees		–	5
Depreciation of plant and equipment	4	4	4
Employee compensation (See below)		649	781
Impairment loss on mining rights	6	2,608	1,188
Loss on disposal of available-for-sale financial assets		–	339
Legal and professional fees		53	119
Listing fees and related expenses		184	140
Arranger Fees		20	60
Operating lease expenses		108	130
Exploration and evaluation expenditure		–	216
Fair value (gain)/loss on derivative financial liability		(83)	13

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

16 LOSS BEFORE TAXATION (CONTINUED)

The Group	Note	2016 \$'000	2015 \$'000
<u>Breakdown of employee compensation:</u>			
Directors' fees – directors of the Company		95	100
<u>Directors' remuneration other than fee:</u>			
– Salaries and allowances		287	403
– Pension costs – Defined contribution plan		12	16
		394	519
<u>Other than key management personnel:</u>			
– Salaries and allowances		227	242
– Pension costs – Defined contribution plan		28	20
		255	262
		649	781
<u>Included in “finance costs”</u>			
Interest expense from:			
– Borrowings		30	9
		30	9

17 INCOME TAX EXPENSE

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profits as a result of the following:

The Group	2016 \$'000	2015 \$'000
Loss before taxation	(4,014)	(3,394)
Tax at statutory rate of 17%	(682)	(576)
Tax effect on non-deductible expenses	490	338
Tax effect on non-taxable income	(15)	(14)
Deferred tax assets on current year's losses not recognised	207	252
	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

17 INCOME TAX EXPENSE (CONTINUED)

Non-deductible expenses primarily relate to amortisation of intangible assets and mining rights, impairment loss on mining rights and available-for-sale financial assets, loss on disposal of available-for-sale financial assets, and fair value loss on derivative financial liability.

As at 31 March 2016, the Group has unutilised tax losses of approximately \$7,058,636 (2015 – \$5,840,989) and unutilised capital allowances of approximately \$1,382,043 (2015 – \$1,382,043) available for set-off against future taxable income subject to compliance with certain provisions of the tax legislation.

Deferred tax asset of approximately \$1,435,000 (2015 – \$1,228,000) in respect of these unutilised tax losses and unutilised capital allowances has not been recognised because of the uncertainty of its recoverability in the future periods.

18 LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year. The Company did not have any stock options or dilutive potential ordinary shares during the years ended 31 March 2015 and 2016.

	2016 \$'000	2015 \$'000
The Group		
Loss for the year attributable to owners of the Company	(4,006)	(3,391)
	Number of shares (‘000)	
	2016	2015
Number of ordinary shares issued at 1 April	681,304	293,058
Issue of shares	283,260	330,740
Weighted average number of ordinary shares issued during the year	964,564	623,798
Loss per share (cents):		
– basic	0.42	0.54
– diluted	0.42	0.54

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

19 OPERATING LEASE COMMITMENTS

At the end of reporting period, the Group and the Company were committed to making the following rental payments in respect of non-cancellable operating leases of office premise and car rental:

	2016 \$'000	2015 \$'000
The Group and Company		
Not later than 1 year	62	89
Later than 1 year and no later than 5 years	-	-
Total	62	89

The leases on the Group's and the Company's office premise and car rental on which rentals are payables will expire on 30 September 2016 and 31 March 2017, and the current rent payable on the leases are \$4,000 per month and \$3,200 per month respectively.

20 OPERATING SEGMENTS

For management reporting purposes, the Group is organised into the following reportable operating segments as follows:

- (1) Online gaming;
- (2) Mining; and
- (3) Others

Online gaming segment relates to revenue generated from royalty fees, contributed by 1 customer (2015 – 1 customer).

Mining segment relates to revenue generated from the Mining operations in Australia.

The Executive Director, who is designated as the Chief Operating Decision Maker, monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and gross profit, as included in the internal management reports that are reviewed by the Executive Director.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

20 OPERATING SEGMENTS (CONTINUED)

Group financing, corporate expenses and income taxes are managed on a group basis and are not allocated to operating segments.

The allocation of group assets and liabilities attributable to individual segments is not presented as the information is not provided to the Executive Director.

	Online gaming		Mining		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5	45	–	–	–	–	5	45
Gross profit	5	45	–	–	–	–	5	45
Other income	–	–	–	–	11	83	11	83
Unallocated corporate expenses	(7)	(21)	(2,608)	(1,791)	(1,385)	(1,701)	(4,000)	(3,513)
Finance costs	–	–	–	–	(30)	(9)	(30)	(9)
(Loss)/Profit before taxation	(2)	24	(2,608)	(1,791)	(1,404)	(1,627)	(4,014)	(3,394)
Income tax expense	–	–	–	–	–	–	–	–
(Loss)/Profit for the year	(2)	24	(2,608)	(1,791)	(1,404)	(1,627)	(4,014)	(3,394)
Other information:								
Acquisition of plant and equipment	–	–	–	–	–	3	–	3
Depreciation of plant and equipment	–	–	–	–	4	4	4	4
Acquisition of mining rights	–	–	–	33	–	–	–	33
Amortisation of mining rights	–	–	273	358	–	–	273	358
Exploration and evaluation expenditure	–	–	–	216	–	–	–	216
Loss on disposal of available-for-sale financial asset	–	–	–	–	–	–	–	–
Impairment loss on mining rights	–	–	2,608	1,188	–	–	2,608	1,188

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

20 OPERATING SEGMENTS (CONTINUED)

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

Revenue	2016 \$'000	2015 \$'000
Singapore	5	45
Non-current assets	2016 \$'000	2015 \$'000
Australia	2,026	4,907
Singapore	–	4
	2,026	4,911

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, interest rate risk, foreign currency risk, and liquidity risk. The Group's principal financial instruments comprise cash and cash equivalents, trade and other payables, and borrowings. The Group has various other financial assets and liabilities such as trade and other receivables, which arise directly from its operations.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

21.1 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group's operations in Australia and Korea remain dormant during the current financial year. As at the end of the reporting period, the Group's currency exposures to Australian Dollar and Korean Won are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.2 Interest rate risk

Interest rate risk is the risk that the fair value of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings. The Group's policy is to manage its exposure to interest rate risks using a mix of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its investment portfolio. The Group's policy is to obtain financing at the most favourable interest rates available.

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Total	Less than	1 to 5
	\$'000	1 year	years
	\$'000	\$'000	\$'000
The Group and Company			
31 March 2016			
Fixed rate			
Borrowings (Note 13)	(400)	(400)	–

21.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge obligation and cause the Group and the Company to incur a financial loss.

The carrying amounts of trade and other receivables, amounts due from subsidiaries and related parties and cash and bank balances represent the Group's and the Company's exposure to credit risk. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.3 Credit risk (Continued)

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related parties balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the statement of financial position.

- (i) Financial assets that are neither past due nor impaired

Cash at banks that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies.

Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company and the Group.

- (ii) Financial assets that are past due but not impaired

There are no financial assets that are past due but not impaired as at the balance sheet date.

- (iii) Financial assets that are past due and impaired

All financial assets that are past due more than 12 months have been impaired.

21.4 Liquidity risk

Liquidity or funding risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.4 Liquidity risk (Continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through trade and other receivables, cash and short-term deposits trade and other payables, and borrowings.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
The Group				
31 March 2016				
Trade and other payables (Note 12)	2,235	–	–	2,235
Borrowings (Note 13)	882	–	–	882
	3,117	–	–	3,117
31 March 2015				
Trade and other payables (Note 12)	2,251	–	–	2,251
Borrowings (Note 13)	483	–	–	483
	2,734	–	–	2,734
The Company				
31 March 2016				
Trade and other payables (Note 12)	1,983	–	–	1,983
Borrowings (Note 13)	882	–	–	882
	2,865	–	–	2,865
31 March 2015				
Trade and other payables (Note 12)	2,023	–	–	2,023
Borrowings (Note 13)	483	–	–	483
	2,506	–	–	2,506

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.4 Liquidity risk (Continued)

The Group and the Company continues to rely on continuous financial support from its major shareholders. Such major shareholders will continue to provide financial support to the Group and the Company as and when the liabilities fall due.

22 FAIR VALUE MEASUREMENT

Fair values of financial instruments

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements, as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3 : inputs for the asset or liability that are not based on observable market data.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2015:

The Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 March 2015				
Derivative liability	—	—	(94)	(94)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

22 FAIR VALUE MEASUREMENT (CONTINUED)

Fair values of financial instruments (Continued)

Fair value hierarchy (Continued)

The fair value of financial instruments traded in active markets (such as available-for-sale equity investments held by the Group and the Company as at 31 March 2015) is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

There were no transfers between Level 1 and Level 2 in the previous financial year.

Borrowings

The carrying amounts of borrowings approximate their fair values.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) approximate their fair values because of the short period to maturity.

23 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- (a) To safeguard the Group's ability to continue as a going concern;
- (b) To support the Group's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's risk management capability; and
- (d) To provide an adequate return to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23 CAPITAL MANAGEMENT (CONTINUED)

The Group defines capital as shareholders' equity. The Group regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The directors monitor capital based on the net debt to total equity ratio. Net debt comprises trade and other payables, and borrowings, less cash and cash equivalents. Net asset comprises total equity.

	The Group		The Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Trade and other payables (Note 12)	2,235	2,251	1,983	2,023
Borrowings (Note 13)	882	483	882	483
Less: Cash and cash equivalents (Note 9)	(4)	(8)	(3)	(5)
Net debt	3,113	2,726	2,862	2,501
Total equity	(1,052)	2,254	(809)	2,439
Net debt to total equity ratio	NA*	121%	NA*	103%

* Not applicable as the Group and the Company is in a net debt position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

24 SUBSEQUENT EVENTS

Loans from a third-party

The Company obtained unsecured loans from an unrelated third party amounting to \$100,000 each on 26 May 2016 and 20 June 2016 respectively for working capital purposes. These short term loans are each repayable on 25 May 2017 and 19 June 2017 respectively, at an interest-rate at 12% per annum. The Company subsequently repaid \$100,000 on 28 July 2016 and novated the remaining loan amount of \$100,000 to Atlas Capital Pte Ltd on 6 September 2016.

Proposed issuance of 1% equity-linked redeemable convertible notes due 2019

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.

Debt conversion exercise

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.

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

STATISTICS OF SHAREHOLDINGS

AS AT 19 AUGUST 2016

Number of issued shares	:	1,051,304,250
Class of shares	:	Ordinary Shares
Number of treasury shares	:	Nil
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 19 AUGUST 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	24	0.83	517	0.00
100 – 1,000	436	15.15	279,653	0.03
1,001 – 10,000	1,061	36.85	5,263,000	0.50
10,001 – 1,000,000	1,263	43.87	171,221,275	16.29
1,000,001 AND ABOVE	95	3.30	874,539,805	83.18
TOTAL	2,879	100.00	1,051,304,250	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 19 AUGUST 2016

NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1 LIANG JEN NICHOLAS REMIGIUS OEI	166,857,758	15.87
2 DORIS CHUNG GIM LIAN	137,758,000	13.10
3 DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	120,928,000	11.50
4 CIMB SECURITIES (SINGAPORE) PTE LTD	90,276,500	8.59
5 ATLAS CAPITAL PTE LTD	24,210,000	2.30
6 CITIBANK NOMINEES SINGAPORE PTE LTD	21,545,666	2.05
7 TAN ENG CHUA EDWIN	19,063,600	1.81
8 UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	12,935,049	1.23
9 THAM CHER LEONG	12,178,900	1.16
10 OCBC NOMINEES SINGAPORE PRIVATE LTD	11,402,934	1.08
11 ATLAS GROUP HOLDINGS PTE LTD	11,000,000	1.05
12 PHILLIP SECURITIES PTE LTD	9,751,741	0.93
13 OCBC SECURITIES PRIVATE LTD	9,148,700	0.87
14 RAFFLES NOMINEES (PTE) LTD	7,185,900	0.68
15 MANGANMAL JHAMATMAL LALWANI	7,000,000	0.67
16 TAN SZE SENG	6,736,700	0.64
17 MIN YONG JEONG	6,000,600	0.57
18 YAP CHOON CHWEE	6,000,000	0.57
19 DBS NOMINEES PTE LTD	5,750,960	0.55
20 KOH CHOH HUAT	5,400,000	0.51
TOTAL:	691,131,008	65.73

INFINIO GROUP LIMITED
ANNUAL REPORT 2016

STATISTICS OF SHAREHOLDINGS

AS AT 19 AUGUST 2016

Shareholdings	As at 19 August 2016					
	Direct Interests	%	Deemed Interests	%	Total Interests	%
Substantial Shareholders						
Chew Hwa Seng ⁽²⁾	4,817,597	0.46	137,758,000	13.10	142,575,597	13.56
Doris Chung Gim Lian ⁽¹⁾	137,758,000	13.10	4,817,597	0.46	142,575,597	13.56
Advance Opportunities Fund	93,626,483	8.91	–	0.00	93,626,483	8.91
KKI International Limited	120,000,000	11.41	–	0.00	120,000,000	11.41
Atlas Capital Pte Ltd ⁽³⁾	24,210,000	2.30	120,000,000	11.41	144,210,000	13.71
Lim Hui Mei Stephanie ⁽⁴⁾	–	0.00	144,210,000	13.71	144,210,000	13.71
Liang Jen Nicholas Remigius Oei	166,857,758	15.87	–	0.00	166,857,758	15.87

Notes:

- (1) Ms Doris Chung Gim Lian is deemed to be interested in 4,817,597 shares held by Mr Chew Hua Seng as Mr Chew Hua Seng is the spouse of Ms Doris Chung Gim Lian.
- (2) Mr Chew Hua Seng is deemed to be interested in 137,758,000 shares held by Ms Doris Chung Gim Lian as Ms Doris Chung Gim Lian is the spouse of Mr Chew Hua Seng.
- (3) By virtue of Section 7 of the Companies Act (Cap. 50), Atlas Capital Pte. Ltd. is deemed interested in 120,000,000 shares in Infinio Group Limited held by KKI International Limited as Atlas Capital Pte Ltd. owns 100% of KKI International Limited.
- (4) By virtue of Section 7 of the Companies Act (Cap. 50), Ms Lim Hui Mei Stephanie is deemed interested in 24,210,000 shares in Infinio Group Limited held by Atlas Capital Pte. Ltd. and 120,000,000 shares in Infinio Group Limited held by KKI International Limited Ms Lim Hui Mei Stephanie owns 70% of Atlas Capital Pte Ltd.

As at 19 August 2016, approximately 47.83% of the issued ordinary shares of the issued ordinary shares of the Company was held in the hands of the public (on The basis of information available to the Company). Accordingly, The Company had complied with Rule 723 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“AGM”) of **INFINIO GROUP LIMITED** (the “Company”) will be held at 28 Kallang Place, #04-01/05, Singapore 339158, on Friday, 30 September 2016 at 11.00 a.m. for the following purposes:–

AS ORDINARY BUSINESS

- | | | |
|----|---|---------------------|
| 1. | To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Directors’ Report and Auditors’ Report thereon. | Resolution 1 |
| 2. | To approve the payment of Directors’ Fees of S\$95,000 for the financial year ended 31 March 2016 (2015: S\$100,000). | Resolution 2 |
| 3. | To re-elect Mr Hong Seong Soo who is retiring under Article 107 of the Company’s Constitution.
[See Explanatory note (i)] | Resolution 3 |
| 4. | To re-elect Mr Chng Hee Kok who is retiring under Article 117 of the Company’s Constitution.
[See Explanatory note (ii)] | Resolution 4 |
| 5. | To re-appoint Messrs Foo Kon Tan LLP., Certified Public Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 5 |
| 6. | To transact any other ordinary business which may be properly transacted at an Annual General Meeting. | |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:–

- | | | |
|----|---|---------------------|
| 7. | <u>AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES</u> | Resolution 6 |
| | That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Section B: Rules of Catalist (“Catalist Rules”), the Directors of the Company be authorised and empowered to: | |
| A. | (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or | |

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
 - B. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,
- provided that:
- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2))
 - (2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of convertible securities;

NOTICE OF ANNUAL GENERAL MEETING

- (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGXST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

BY ORDER OF THE BOARD

LEE BEE FONG
Company Secretary

Date: 15 September 2016
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:-

- (i) If re-elected under Resolution 3 above, Mr Hong Seong Soo will, upon re-election as a Director, remain as Non-Executive Director of the Company. There is no relationship including immediate family relationships between Mr Hong Seong Soo and the other Directors, the Company, or its 10% shareholders as defined in the Code of Corporate Governance 2012 (the "Code"). Detailed information on Mr Hong Seong Soo can be found at page 03 of the Annual Report.
- (ii) If re-elected under Resolution 4 above, Mr Chng Hee Kok will, upon re-election as a Director, remain as Independent Non-Executive Director of the Company. He shall be considered independent for the purposes of Rule 704(7) of Catalyst Rules of the SGX-ST. There is no relationship including immediate family relationships between himself and the other Directors, the Company, its related corporations, its 10% shareholders or its officers (as defined in the Code). Detailed information on Mr Chng Hee Kok can be found at page 04 of the Annual Report.
- (iii) Ordinary Resolution 6 Done is to empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to issue shares in the Company and convertible securities. The number of shares which the Directors may issue under this Resolution would not exceed 100% of the issued share capital of the Company at the time of passing this Resolution. For issue of shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares to be issued shall not exceed 50% of the issued share capital of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Notes:-

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified)

"Relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy must be deposited at the registered office of the Company at 80 Robinson Road, #02-00 Singapore 068898 not less than 48 hours before the time for holding the AGM or any adjournment thereof.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this Notice including the correctness of any of the figures used, statements or opinions made.

This Notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Notice including the correctness of any of the statements or opinions made or reports contained in this Notice.

*The contact person for the Sponsor is Mr. Liao H. K.
Telephone number: 6221 0271*

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

INFINIO GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 199801660M)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap.50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

Proxy Form

ANNUAL GENERAL MEETING

I/We, _____ (Name), NRIC/Passport No. _____

of _____ (Address)

being a member(s) of Infinio Group Limited (the "**Company**"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of shareholdings	
		Number of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings	
		Number of Shares	%
Address			

or failing whom, the Chairman of the Annual General Meeting (the "**Meeting**") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 28 Kallang Place, #04-01/05, Singapore 339158, on Friday, 30 September 2016 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as hereunder indicated. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

The resolutions put to vote at the Meeting shall be decided by poll.

No.	Ordinary Resolutions	Number of votes For*	Number of votes Against*
Ordinary Business			
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Directors' Statement and Auditors' Report.		
2.	Approval of Directors' Fees for the financial year ended 31 March 2016.		
3.	Re-election of Mr Hong Seong Soo as Director of the Company.		
4.	Re-election of Mr Chng Hee Kok as Director of the Company.		
5.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company.		
Special Business			
6.	To authorise Directors to allot shares pursuant to Section 161 of the Companies Act, Cap. 50.		

* Note: If you wish to exercise all your votes "For" or "Against" the above resolution, please tick "✓" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Signed this _____ day of _____ 2016

Total Number of Shares held
(see Note 1)

Signature of Member(s)
or Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes to the Proxy Form

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

"Relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
 4. An instrument appoint a proxy must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
 5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
 6. The instrument appointing a proxy or proxies must be under the hand of the appointer or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
 7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

This page has been intentionally left blank



Company Registration No. 199801660M

28 Kallang Place | #04-03 | Singapore 339158

Tel: +65 6336 2338 | Fax: +65 6291 5954