

INFINIO GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199801660M)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. PROPOSED RIGHTS ISSUE

1.1 Introduction

The Board of Directors (the “**Directors**”) of Infinio Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 3,781,145,730 new ordinary shares in the capital of the Company (each, a “**Rights Share**”) at an issue price of S\$0.007 for each Rights Share (the “**Issue Price**”) on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (each, a “**Share**”) held by the Entitled Shareholders (as defined below) as at the books closure date (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the manager for the Rights Issue (“**Manager**” or “**PPCF**”).

1.2 Irrevocable Undertaking

Whilst the Rights Issue is non-underwritten, the controlling Shareholder and Non-Executive Chairman of the Company, Mr Wang ZhenWen (the “**Undertaking Shareholder**” or “**Mr Wang**”), who directly holds an aggregate of 680,213,800 Shares, representing approximately 17.99% of the Existing Share Capital (as defined below), has provided the Irrevocable Undertaking (as defined below) to the Company to, *inter alia*, fully subscribe for the Maximum Entitled Rights Shares (as defined below), as a demonstration of his support and commitment to the Company.

Please refer to Section 5 below for further details of the undertakings of the Undertaking Shareholder.

1.3 Approvals

The Rights Issue is subject to, *inter alia*, (i) the receipt of listing and quotation notice from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Rights Shares on the Catalist board of the SGX-ST; (ii) the approval of the Company’s shareholders (“**Shareholders**”) at an extraordinary general meeting of the Company to be convened (the “**EGM**”); and (iii) the lodgement of the Offer Information Statement (“**OIS**”), together with all other accompanying documents (if applicable), with the SGX-ST, acting as agent of the Monetary Authority of Singapore (“**MAS**”).

On behalf of the Company, PPCF will be making an application to the SGX-ST for the listing and quotation of the Rights Shares on the Catalist board of the SGX-ST in due course. The Company will make the necessary announcement upon the receipt of the listing and quotation notice from the SGX-ST.

2. PROPOSED PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1 Entitled Shareholders

The Rights Issue is proposed to be provisionally allotted on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Entitled Shareholders**”), on the basis of one (1) Rights Share for every one (1) Share held by, or standing to the credit of the securities accounts of Entitled Shareholders with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Catalist of the SGX-ST over a period to be determined by the Board in compliance with the Section B: Rules of the Catalist of the SGX-ST (the “**Catalist Rules**”). Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company. Excess Rights Shares will be allotted in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of the excess Rights Shares, preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.

2.2 Number of Rights Shares to be issued

As at the date of this Announcement, the Company has an issued share capital comprising 3,781,145,730 Shares (“**Existing Share Capital**”).

2.2.1 Minimum Subscription Scenario

Based on the Existing Share Capital and assuming that (a) none of the Entitled Shareholders subscribe for any Right Shares; and (b) only Mr Wang subscribes for the Rights Shares in accordance with the terms of the Irrevocable Undertakings, the Company will issue an aggregate of 586,364,030 Rights Shares under the Rights Issue ("**Minimum Subscription Scenario**").

For the avoidance of doubt, the Minimum Subscription Scenario is subject to Scaling Provision (as defined and elaborated in Section 4 herein) and in order to avoid placing the Undertaking Shareholder and parties acting in concert with him (as defined in the Singapore Code of Takeovers and Mergers (the "**Code**")) from incurring a mandatory general offer obligation under the Code. Accordingly, subscriptions for Rights Shares by the Undertaking Shareholder pursuant to the Irrevocable Undertaking will be scaled down from 680,213,800 to 586,364,030 Rights Shares pursuant to the Scaling Provision under the Minimum Subscription Scenario.

2.2.2 Maximum Subscription Scenario

Based on the Existing Share Capital and assuming that all Entitled Shareholders (including the Undertaking Shareholder) subscribes and pay in full for their *pro rata* entitlements of Rights Shares, the Company will issue an aggregate of 3,781,145,730 Rights Shares under the Rights Issue ("**Maximum Subscription Scenario**").

2.3 Status of the Rights Shares

The Rights Shares and excess Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls on or after the date of issue of the Rights Shares. For this purpose, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.4 Issue Price

The Issue Price of S\$0.007 per Rights Share represents:

- 2.4.1 a discount of approximately 22.2% to S\$0.009 per Share, being the closing price for trades done on 14 February 2018, being the full market day on which this Rights Issue is announced; and
- 2.4.2 a discount of approximately 12.5% to the theoretical ex-rights price of S\$0.008 per Share (being the theoretical market price of each Share assuming the completion of the Rights Issue, which is calculated based on the S\$0.009 being the closing price for trades done on the SGX-ST on 14 February 2018, being the full market day on which this Rights Issue is announced).

2.5 Size of the Enlarged Share Capital (as defined below)

Based on the Existing Share Capital of the Company of 3,781,145,730 Shares, the changes in the Existing Share Capital of the Company is up to 3,781,145,730 Rights Shares which will be issued pursuant to the Rights Issue under the Maximum Subscription Scenario. Upon completion of the Rights Issue under the Maximum Subscription Scenario, the Enlarged Share Capital of the Company will be 7,562,291,460 Shares.

2.6 Non-Underwritten Rights Issue

The Rights Issue will not be underwritten. The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertaking provided by the Undertaking Shareholder and the savings in cost by the Company in respect of underwriting fees.

2.7 Other terms

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Rights Issue will be contained in the OIS to be lodged with the SGX-ST, acting as agent on behalf of the MAS and despatched to Entitled Shareholders in due course.

3. **PURPOSE OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Company intends to utilise the proceeds from the Rights Issue to finance (i) offsetting of the Outstanding Loan (as defined below) (ii) the proposed acquisition of No. 6 Kim Chuan Terrace Singapore 537029 as announced by the Company on 13 February 2018 ("**Kim Chuan Acquisition**"), (iii) the proposed acquisition of property development projects to be identified ("**Future Proposed Acquisitions**"), and (iv) for working capital purposes.

In relation to the Future Proposed Acquisitions, following the Company's announcement on 28 December 2017, the Company has also identified a few suitable property development projects and is currently in discussion with and evaluating each of these property investment opportunities. Upon the entry of definitive agreement(s) and if required, the Company will be seeking Shareholder's approval for these Future Proposed Acquisitions.

Assuming the Minimum Subscription Scenario, the estimated net proceeds from the Rights Issue ("**Net Proceeds**") (after deducting estimated expenses of approximately S\$0.38 million) is expected to be approximately S\$3.72 million. After offsetting the Outstanding Loan, the net proceeds attributable to the Company from the Rights Issue would be approximately S\$0.77 million. In relation thereof, the Company may consider relying on the Company's internal and/or external funds, including alternative equity fund raising and/or bank borrowings to finance the Kim Chuan Acquisition and Future Proposed Acquisitions.

Assuming the Maximum Subscription Scenario, the estimated Net Proceeds is expected to be approximately S\$26.09 million. After offsetting the Outstanding Loan, the net

proceeds attributable to the Company from the Rights Issue would be approximately S\$23.13 million.

The Company intends to use the entire Net Proceeds from the Rights Issue under both the Maximum Subscription Scenario and the Minimum Subscription Scenario in accordance to the proportions set out below:

Use of Proceeds	Maximum Subscription Scenario		Minimum Subscription Scenario	
	(S\$ million)	%	(S\$ million)	%
Offsetting the Outstanding Loan ⁽¹⁾	2.95	11.3	2.95	79.3
Funding part of the purchase consideration of the Kim Chuan Acquisition and its associated costs	5.00	19.2	0.50	13.4
Funding the Future Proposed Acquisitions and their associated costs	15.53	59.5	-	-
Working Capital Purposes	2.61	10.0	0.27	7.3
Total Net Proceeds	26.09	100	3.72	100

Note:

(1) As defined in Section 5 of this Announcement. Please refer to Section 5 for further details.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make an announcement as to the use of the Net Proceeds from the Rights Issue as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated above and further, provide a status report on the specific use of such proceeds in its interim and full-year financial statements, and in its annual report. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

The Company had on 1 February 2018 completed a placement of 1,260,381,900 new ordinary shares at an issue price of S\$0.0018, raising net proceeds of approximately S\$2.24 million. As at the date of this announcement, S\$0.11 million of the aforesaid had been utilised for the Kim Chuan Acquisition, in accordance with the use of proceeds described in the Company's announcement dated 13 February 2018.

The Directors are of the opinion that after taking into consideration the present financial position of the Group, including the present bank facilities, and the proceeds from the share placements completed and announced by the Company on 1 February 2018, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding this, the Company is undertaking the Rights Issue based on the rationale as set out above.

Based on the reasonable opinion of the Directors as at the date of this Announcement, there is no minimum amount which must be raised from the Rights Issue.

4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

Entitled Depositors. Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the "**Depositors**") will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be "**Entitled Depositors**", Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

Entitled Scripholders. Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the "**Scripholders**") will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company's share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) (the "**Share Registrar**"), in order to be registered to determine the transferee's provisional allotments of Rights Shares.

To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore must provide the Share Registrar at 80 Robinson Road #02-00 Singapore 068898 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

Entitled Depositors and Entitled Scripholders shall be collectively referred to as "**Entitled Shareholders**" in this Announcement.

Persons who bought their Shares previously using their CPF account savings (“**CPF Funds**”) should use CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares, subject to the applicable CPF rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the OIS. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for excess Rights Shares. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the OIS and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Rights Issue.

Foreign Shareholders. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The OIS to be issued pursuant to the Rights Issue and accompanying documents will not be mailed outside of Singapore. Accordingly, no Foreign Shareholders will be entitled to participate in the Rights Issue.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their

absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager or CDP and their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager or CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments. To this end, Foreign Shareholders are encouraged to provide a registered address to CDP or the Share Registrar, as the case may be, in Singapore at least three (3) market days prior to the Books Closure Date, in order to be able to participate in the Rights Issue.

Option to scale down subscription. Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for its *pro-rata* Rights Shares entitlement and/or apply for excess Rights Shares) (the “**Scaling Provision**”) to:

- (a) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules of the SGX-ST unless prior approval of Shareholders is obtained in general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares entitlements fully.

5. IRREVOCABLE UNDERTAKING

As at the date of this Announcement, the Undertaking Shareholder holds an aggregate of 680,213,800 Shares, representing approximately 17.99% of the Existing Share Capital (“**Relevant Shares**”). Accordingly, the Undertaking Shareholder will be entitled to subscribe for an aggregate of up to 680,213,800 Rights Shares under the Maximum Subscription Scenario (the “**Maximum Entitled Rights Shares**”).

As an indication of his support and commitment to the Company, the Undertaking Shareholder has irrevocably undertaken to the Company that, he shall, *inter alia*:-

- (a) vote in favour of the Rights Issue, in respect of all shares legally and beneficially owned by him as at the EGM, in person or by representative or proxy;
- (b) apply and subscribe for and/or procure the applications and subscriptions for, in accordance with the terms of the Rights Issue, up to 680,213,800 Rights Shares which will be provisionally allotted to him under the Maximum Subscription scenario;

- (c) pay and/or procure payment for the Maximum Entitled Rights Shares but only to the extent that such subscription does not result in him incurring any takeover obligations pursuant to the Code;
- (d) provide satisfactory confirmation from one or more financial institutions in Singapore that he had sufficient financial resources to fulfil his obligations as set out in paragraphs (b) and (c); and
- (e) not sell, transfer or otherwise dispose of or otherwise create any encumbrance over, any of the Relevant Shares or of any interest therein from the date of the Irrevocable Undertaking up to the latest time and date for acceptance and payment for the Rights Shares under the Rights Issue;

(collectively, the "**Irrevocable Undertaking**").

Shareholders should note that notwithstanding the Irrevocable Undertaking, the aggregate payment by the Undertaking Shareholder for the subscription of the Maximum Entitled Rights Shares under the Rights Issue is to be satisfied partially by (i) the offsetting of the outstanding amounts owed to the Undertaking Shareholder by the Company of approximately S\$2.95 million (the "**Outstanding Loan**") pursuant to the loan agreement entered into between the same parties on 12 December 2017 and (ii) the balance of approximately S\$1.8 million by payment in cash. The Undertaking Shareholder will be providing a written confirmation of financial resources from his relevant financial institution that he has sufficient financial resources to fulfill his obligations pursuant to the Irrevocable Undertaking.

Under the Maximum Subscription Scenario, the aforesaid number of Maximum Entitled Rights Shares which the Undertaking Shareholder will be undertaking to subscribe for under the Irrevocable Undertaking will not result in the Undertaking Shareholder being obliged to make a mandatory general offer for Shares in the Company under the Code.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by the Undertaking Shareholder to avoid placing the Undertaking Shareholder and parties acting in concert with him (as defined in the Code) in the position of incurring a mandatory general offer for Shares in the Company under the Code.

6. CIRCULAR AND EGM

The Company will be convening an EGM to seek Shareholders' approvals for, *inter alia* the Rights Issue, and a circular will be despatched by the Company to the Shareholders in due course.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company).

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD
INFINIO GROUP LIMITED

Soong Kar Leong
Executive Director
14 February 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).