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

EMPHASIS OF MATTER BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 AND MATERIAL ADJUSTMENTS BETWEEN THE UNAUDITED ANNOUNCED AND AUDITED RESULTS FOR FY2015

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1. EMPHASIS OF MATTER

In compliance with Rule 704(4) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Board of Directors of Infinio Group Limited (the "**Company**") wishes to announce that its Independent Auditor, Foo Kon Tan LLP, has issued its Independent Auditor's Report for the financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2015 and this Independent Auditors' Report contains an emphasis of matter. The opinion of the Auditors, however, remains unqualified.

Please refer to a copy of the aforesaid Independent Auditor's Report, together with the extract of the relevant note to the Financial Statements, annexed to this announcement for further information.

The Independent Auditors' Report and a complete set of the Group's financial statements for the financial year ended 31 March 2015 will also be found in the Company's Annual Report 2015 which will be dispatched to the Shareholders in due course.

The Board and Audit Committee (comprising Messrs Hong Seong Soo, Kun Swee Tiong Andy, and Choo Siew Lohk) are well aware of the funding situation of the Company hence the various funding options via the Equity Linked Notes and placements have been put in place and carried out over the year. The company has initiated discussions with debt holders on the settlement of the debt by issue of shares and this is presently still in negotiations.

The Board and the Audit Committee wish to highlight the following:

(a) The total outstanding liabilities was approximately S$2.7m as at 31 March 2015 comprising borrowings (approximately S$0.483m), trade payables (approximately S$0.570m), and other payables (approximately S$1.7m).

Other payables comprised mainly amounts due to the Directors (approximately S$0.454m), accrued expenses (approximately S$0.226m), amount payable to the vendors ("**Vendors**") in connection with the acquisition of Summit Light Venture Ltd of approximately S$0.950m.

(b) The borrowings of approximately S$0.483m relates to the fair value of equity linked notes ("**ELN**"). Under the ELN agreement the amount may be converted into shares of the Company ("**Shares**") at the option of the note holder. The Board has initiated discussions on the settlement of the loan note in cash, subject to funding availability. In the event that the borrowings are not converted into Shares, a negotiated amount of S$0.472m will be repayable on 9 October 2015, in settlement of the existing Notes issued. Whilst there has been no definitive outcome, the discussion has been positive and the Board and the Audit Committee are not aware of any reason which will cause the ELN holder to request immediate settlement by cash.

(c) In relation to the amounts due to the Directors of approximately S$0.454m, the relevant Directors have confirmed to the Board and the Audit Committee that they will not request for immediate settlement until such time when the Group's cash flow and net working capital permits.

(d) In relation to the amount payable to the Vendors of approximately S$0.950m, the Board is in the midst of discussion with the Vendors. The Board and the Audit Committee confirmed that whilst there has been no definitive agreement, the Vendors have indicated a willingness to settle the amount via issuance of Shares instead of cash.

(e) On 14 May 2015, the Company announced a placement of 120 million new Shares (the "**Placement**") to KKI International Limited ("**KKI**" or "**Placee**") and loan of approximately S$0.176m from the Placee (the "**Loan**"). The Placement was completed on 29 May 2015 and the net proceeds from the Placement of approximately S$0.294m had been fully utilised to pay certain existing liabilities of the Group (please refer to the Company's announcement dated 25 May 2015). The Loan had also been utilised to settle the Group's existing liabilities. The Board and the Audit Committee notes that KKI will not request for immediate settlement until such time when the Group's cash flow and net working capital permits.

(f) Atlas Capital Pte. Ltd. ("**Atlas**"), a shareholder of the Company, has on 23 June 2015 provided a letter of continuing financial support (the "**Letter**") that (i) Atlas will provide the Company continuing financial support as and when it may be required for it to meet its liabilities as at 31 March 2015 and its normal operating expenses to be incurred up to the subsequent 12 months from the date of the Letter, and (ii) Atlas will not demand immediate payments for debt owing to Atlas so that the Company will continue to operate as a going concern. The Board and the Audit Committee have reviewed and are satisfied with the financial standing and position of Atlas and the statements by Atlas in its Letter, with respect to *inter alia*, its ability to provide continuing financial support. In addition, the Company is at an advance stage in its negotiation with Atlas for provision of financing. In addition, the Board and the Audit Committee are satisfied that based on the terms that is currently being negotiated amongst the various creditors parties, the amount of financing (that is being negotiated as at this stage), subject to definitive agreements to be executed between the Company and Altas as well as those with the existing creditors of the Company for settlements via cash and/or Shares will be sufficient to meet the obligations (*inter alia* operating expenses) of the Company.

(g) Based on on-going discussions with various creditors as outlined above, which are premised on *inter alia* settlement vide issuance of Shares, the Directors and Audit Committee are of the view that the Shares can and should continue to be traded on Catalist.

Subject to definitive agreements with the various parties mentioned above and barring unforeseen circumstances, the Directors hope to reach agreement(s) with its various creditors and to enter into a definitive agreement for financing with Atlas within the next 90 days. Appropriate announcements will be made in due course on the status of its discussions with its existing creditors and also potential investors or financiers (as the case may be).

Barring any unforeseen circumstances, in view of the above and the on-going discussions with and support indicated by its stakeholders (including but not limited to, the ELN holder, the Vendors, and the Directors), the Board and the Audit Committee are of the opinion that the Group will be able to continue as going concern for the next 12 months and that the Company's securities can and should continue to be traded on Catalist.

Shareholders are advised that in the absence of definitive agreements between the Company and its various creditors of settlement of its outstanding liabilities via Shares and/or cash and financing arrangements for additional cash to meet those obligations not settled via Shares and its ongoing operating expenses (including those needed for commissioning and completing the JORC report to satisfy the Catalist Rules for MOG companies), they should exercise caution in trading of the Company's securities.

2. MATERIAL ADJUSTMENTS BETWEEN THE UNAUDITED ANNOUNCED AND AUDITED RESULTS FOR FY2015

In compliance with Rule 704(5) of the **Catalist Rules**, the Company wishes clarify the following;

In the full year announcement released on 29 May 2015, the Company announced a net loss of $2.272m. In the audited financial statement, the net loss for the year is $3.394m.

The material difference of $1.122m has arisen due to the following:

a) Subsequent to the announcement, the Management has considered that there have been delays in obtaining funding, which has consequently held up mining operations and has accordingly decided to partially impair the carrying value of the mining rights by S$1.188m. The impairment also led to lower mining rights asset recorded of S$4.907m in the audited balance sheet as compared to S$6.095m in the results announcement.

b) there has been a write back of trade and other payables amounting to S$66,000 resulting in an increase in other income to S$83,000 in the audited profit and loss statement as compared to S$17,000 in the result announcement as well as a reduction in trade and other payables to S$2.251m in the audited balance sheet as compared to S$2.317m in the results announcement (S$0.562m trade payables and S$1.755m other payables).

The difference in the cash flow statement arises mainly due to a reclassification of settlement of acquisition cost previously recorded as changes working capital in the results announcement, which has been reclassified as cash flow from investment S$0.4m. There is no overall net effect on the statement of cash flows.

BY ORDER OF THE BOARD
INFINIO GROUP LIMITED

Lim Yeow Sun
Director
6 July 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

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

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