Extracted from Note 2 to the Audited Financial Statements of Infinio Group Limited for the financial year ended 31 March 2015 (audited)

2 Going concern

The Group incurred losses and total comprehensive loss of $3,394,000 and $3,381,000 (2014: $1,598,000 and $1,639,000) and reported net operating cash outflows of $976,000 (2014: $1,719,000) for the financial year ended 31 March 2015; 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 $2,657,000 and $2,472,000 (2014: $2,724,000 and $2,517,000) respectively. The Group and the Company funded its operations and corporate actions from the issuance of equity linked redeemable structured convertible notes ("Convertible Notes") to the Subscribers of the Convertible Notes. During the financial year, fresh proceeds of $1.2 million were raised from the subscription of the Convertible Notes issued. However, such proceeds raised were insufficient to settle the accrued purchase consideration in connection with the acquisition of Summit Light Venture Ltd and to meet the normal operating cash flows commitments. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and for its listing status to be maintained.

Subsequent to year end, the Company received a letter of financial support from a major shareholder that they will provide continuing financial support to the Group and the Company as and when its liabilities fall due. The validity of the going concern assumption on which these financial statements are prepared depends on the ability of the management to raise new funds from lenders, third parties and shareholders or through the injection or acquisition of new businesses to meet its liabilities and its normal operating expenses to be incurred to enable the Group and the Company to continue as a going concern.

If the Group and the Company are unable to generate sufficient revenues and/or raise new funds from lenders, third parties and shareholders or through the injection or acquisition of new businesses, it may not be able to continue in operational existence for the foreseeable future, and the Group and the Company may be unable to discharge its liabilities in the normal course of business. 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 balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide further liabilities that may arise. No such adjustments have been made to these financial statements.