Edition Ltd.

Annual Report
2015

Edition

Contents

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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.

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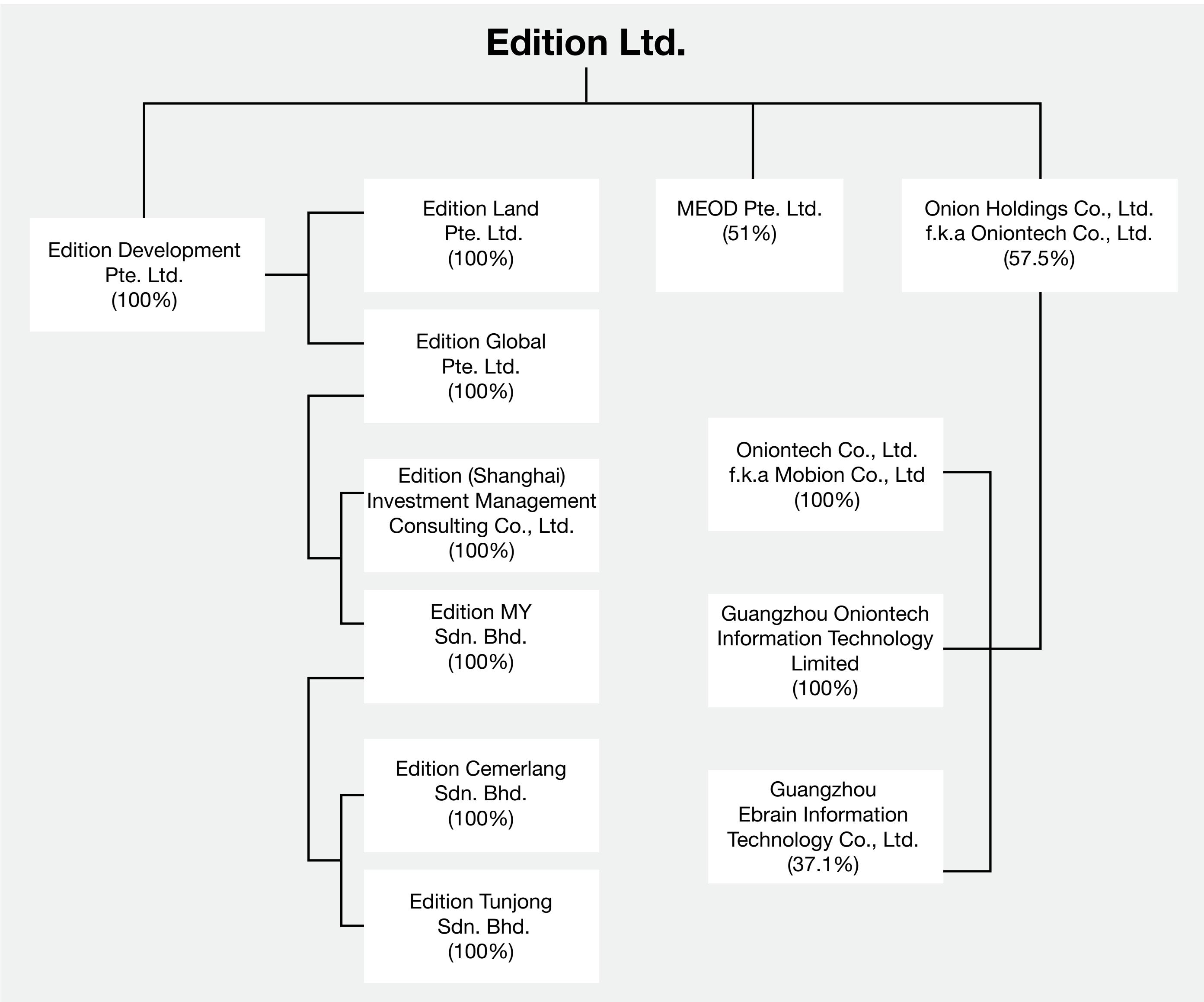
Corporate Profile

Edition Ltd. ("**EDL**", the "**Company**") is a company that operates in four principal segments, i.e. software solutions, investment in quoted and unquoted securities, property development and agricultural business, through subsidiaries in Singapore, Korea and Malaysia (the "**Group**").

Since the establishment of its software solution business in Korea in 2000 through the Company's subsidiary Onion Holdings Co., Ltd., the Group has successfully developed and launched a number of software solutions and content-related services for value added services in the mobile telecommunications industry. Some of the milestone products developed by the Group's dedicated technical teams over the years included Ring Back Tone ("**RBT**") solutions, 3G Voice Messaging System ("**3G VMS**"), Augmented Reality Location-Based Services ("**LBS**") and other smart phone applications. For its content-related services, the Group also provides Content Aggregation Services involving sourcing and compiling of news and lifestyle information for mobile internet services. With the wide range of solutions and services capabilities, the Group currently serves major mobile operators in Korea.

The Group has expanded into the property development business during the financial year ended 31 December 2014 ("**FY2014**") through Edition Cemerlang Sdn. Bhd. by acquiring the land development rights of a piece of land in Kota Bharu, Kelantan, Malaysia.

During the financial year ended 31 December 2015 ("**FY2015**"), the Group has also diversified its business into the agricultural business through the acquisition of 51% in MEOD Pte Ltd. The greenhouse designated for hi-tech agricultural farming is expected to commence its operations in the second half of 2016.



CEO's Statement

Coupled with the impact of suppressing demands as a result of various property cooling measures imposed by the government as well as the impeding supply glut, general sentiment in the local real estate market remained challenging in 2015. While the Group has been actively sourcing for property development opportunities both in Singapore and overseas over the last 12 months, we are very cautious in formulating our strategy and business plan to avoid unnecessary exposure to significant unmitigated and undesired risks.

CEO's Statement

Strengthening our Balance Sheet

In FY2015, the Group had disposed a total of 42.5% of the ordinary shares of Onion Holdings Co., Ltd ("Onion"), our primary subsidiary in Korea, to various Korean investors as well as in the form of treasury shares repurchased by Onion. Amid the uncertain general economic outlook, we emphasised the importance of conserving the Group's resources and placing our focus on property development and the agriculture business.

On the other hand, we have completed a rights issue where an additional 2.14 billion ordinary shares were issued in July 2015 ("Rights Issue"). Total net proceeds of S$21.25 million (approximately US$15.48 million) were raised from the Rights Issue and has imperatively strengthened the Group's balance sheet and cashflow position. The improved Group's financial position allows us to tap into more business opportunities, particularly property development where considerable larger investment is required going forward. In addition, we would like to take this opportunity to welcome our new shareholders joining us in this journey.

Diversification into the Agricultural Business

During the year, we have obtained a mandate from the shareholders for diversification into the agricultural business. In the lights of greater concern over stability and security of foods supplies, as well as competition to improve productivity and intensification of the land use, we believe that the agricultural business by employing hi-tech farming system will grow faster and become more essential in the local market. Subsequently, we have invested in 51% of the equity interest in MEOD Pte. Ltd. ("MEOD") to commercialise the methodologies based on its hi-tech farming model in a large scale manner.

Currently, the construction and commissioning of our first greenhouse in Kranji is in progress, which is designed to house the hi-tech farming system of MEOD. Barring any unforeseen circumstances, the farm is expected to commence its production in 2H of 2016 and contribute to the Group's revenue next year.

Our Appreciation

I would like to take this opportunity to extend our appreciation to Mr. Chua Yang Hong, following his retirement from the Board in FY2015. Lastly, on behalf of the Board of Directors, I would like to thank all stakeholders for the continual support and unwavering confidence they have in the Group.

While the headwinds in the form of global economic uncertainties and slowdown in local economy remains strong, capped with our experience in the business and supported by our management team, I am confident that the Company will remain steadfast and poised to seize the right opportunity when it arises.

ONG BOON CHUAN
Executive Chairman and Chief Executive Officer

Review of Results

Turnover
Revenue decreased by 18% from US$2.03 million in FY2014 to US$1.66 million in FY2015 due to lower business activities volume from the Group's operation in the software solutions segment. Revenue generated from agricultural segment, a new business that the Group diversified into, remained insignificant in FY2015. Property development segment has yet to contribute any revenue in FY2015.

Other Income
Other income increased by US$0.45 million or 61% from US$0.74 million in FY2014 to US$1.18 million in FY2015, mainly due to gains on disposal of available-for-sale financial assets ("AFS") which amounted to US$0.20 million and gains on partial disposal of an associated company, TS Investment Corp. ("TSI") which amounted to US$0.75 million in FY2015. Subsequent to the disposals of shares in TSI, TSI has ceased to be an associated company of the Group.

Operating Expenses
Total expenses decreased by 14% from US$4.76 million in FY2014 to US$4.08 million in FY2015. The decrease was mainly attributable to a decrease in employees' compensation, lower subcontractors' fees in the Korea software solution segment in FY2015. Depreciation, amortisation and impairment charges decreased by 19% from US$0.27 million in FY2014 to US$0.22 million in FY2015, which was mainly due to full depreciation of fixed assets especially for operation in Korea as well as reduction in allowance for impairments of intangible assets. Meanwhile, professional fees has also decreased by 41% from US$0.64 million in FY2014 to US$0.37 million in FY2015, as there were lower volume of corporate exercises in FY2015 as compared to FY2014. In addition, professional fees were incurred in relation to the acquisition of land in Malaysia in FY2014. The decrease in operating expenses was offset by increase in other expenses, mainly due to business development activities that were carried out in FY2015 where the Group has continuously explored business opportunities in the Asia Pacific region.

Net Loss
As a result of the above, the Group registered a net loss before tax of US$0.94 million in FY2015, as compared with a net loss of US$1.22 million in FY2014. The loss attributable to shareholders reduced by 20% to US$1.19 million in FY2015, as compared to a loss of US$1.49 million in FY2014. Subsequent to the partial disposals of shares in Onion Holdings Co., Ltd. ("OTK") to unrelated third parties in FY2015, the profit attributable to non-controlling interests was US$0.11 million for FY2015.

Taxation
Tax expense of US$0.15 million incurred was mainly due to taxable income recognised from the disposal of AFS and TSI in FY2015.

Balance Sheet and Statement of Cash Flows
Compared to 31 December 2014, the Group's cash and cash equivalent balances increased by US$15.33 million, from US$4.54 million to US$19.87 million as at 31 December 2015, mainly due to proceeds from the rights issue where an additional 2.14 billion ordinary shares were issued in July 2015 ("Rights Issue"). Compared to 31 December 2014, the increase in trade and other receivables from US$0.43 million to US$0.60 million was mainly due to deposits placed for the construction of greenhouse undertaken by MEOD Pte. Ltd ("MEOD"), a 51%-owned subsidiary that the Group acquired in FY2015.

Investment property reduced from US$4.15 million as at 31 December 2014 to US$3.78 million as at 31 December 2015, mainly due to depreciation of the office building construction which was completed in FY2013. Investment in associated companies decreased by US$3.44 million, which was mainly due to the partial

Review of Results

disposal of TSI. The remaining investment in TSI has been reclassified to available-for-sale financial assets as at 31 December 2015. Correspondingly, the reclassification also resulted in a significant increase in available-for-sale financial assets.

Trade and other payables decreased from US$1.11 million as at 31 December 2014 to US$0.39 million as at 31 December 2015, which was in line with lower business activities in both the software solution and property development segments. Retirement benefits mainly attributable to the Korean software solution segment has reduced from US$0.43 million as at 31 December 2014 to US$0.17 million as at 31 December 2015 as a result of lower headcount in FY2015. The decrease of US$0.37 million in borrowings was mainly due to repayment of the bank loan.

As a result of the above, net current assets of the Group stood at US$20.10 million as at 31 December 2015, an improvement of US$16.24 million as compared to the previous comparative period.

The inflows and outflows of cash are detailed in the Group Consolidated Statement of Cash Flows. The net cash outflow from operating activities was mainly due to operating expenses which was largely attributable to employees' compensation and business development expenses, incurred by the property development segment in Singapore and Malaysia in FY2015. Net cash inflow from investing activities was mainly due to partial disposal of interests in associated company and the disposal of Group's interests in OTK, which was offset by the purchases of AFS. The Group registered a positive cashflow from financing activities, mainly contributed by the proceeds from the Rights Issue completed in July 2015. As a result of the above, the Group's cash and cash equivalents as at the end of FY2015 was US$19.87 million.

Employees

The number of the Group's full-time employees decreased from 33 as at 31 December 2014 to 32 as at 31 December 2015. They are not covered by any collective bargaining agreements and are not unionized. The Group has not experienced any strikes or work stoppages by our employees and we believe our relationship with our employees is good.

Debt to Equity Ratio

As a results of the Rights Issue where an additional 2,138,515,740 shares have been allotted and issued with a net proceeds of S$21.25 million (approximately US$15.48 million), the Group's net debts effectively reduced to zero, as compared to a gearing ratio of 14.93% as at 31 December 2014.

Risk Management

The Board does not have a risk management committee in place. However, the management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Any significant matters detected are reported to the Board and the Audit Committee.

Board of Directors

Ong Boon Chuan
Executive Chairman and Chief Executive Officer (“CEO”)

Mr Ong was appointed to our Board on 21 July 2014, and currently serves as the Executive Chairman and CEO of the Company. Mr Ong is responsible for the overall strategic, management and business development of the Group. Mr Ong is also the Executive Chairman and CEO of TG Corporation Holdings Pte. Ltd. (“TG Group”). He has over 30 years of experience in the real estate development and construction business. In 1987, he established the first of TG Group’s subsidiaries, TG Development Pte Ltd. As its director, he played an active role in TG Group’s maiden foray into the real estate development industry in Singapore. In 1992, he expanded the TG Group with the incorporation of Thye Chuan Engineering Construction Co. Pte Ltd, the construction wing of TG Group. Under the management and leadership of Mr Ong, TG Group has grown substantially over the years and has become an active player within the real estate development industry in Singapore. Mr Ong graduated from Singapore Polytechnic with a Technical Diploma in Building in 1978.

Lee Jei Hoon
Executive Director

Mr Lee is our Executive Director and joined our Group in May 2003. Presently, Mr Lee is also the Executive Director of Onion Holdings Co., Ltd, one of the principal subsidiaries of the Group. Mr Lee is mainly responsible for providing guidance and oversight on financial planning and financial management of Onion Holdings Co., Ltd. Prior to joining us, he was the CFO of Design House Inc. in Korea, a joint-venture publishing business between German, Italian and Korean publishers. Mr Lee was responsible for overall financial planning and management when he was with Design House Inc. From 1998 to 2000, Mr Lee was the Treasurer of NIKE Sports Co., Ltd. responsible for financing, credit management and foreign exchange control. From 1989 to 1998, Mr Lee held various positions within Hanwha Group, one of the conglomerates in Korea with businesses in the manufacturing, construction, telecommunication, financial services and leisure sectors. Mr Lee was mainly responsible for group financial management and overseas funding during his appointment with Hanwha Group. He had also worked in Hanwha Group’s New York office for approximately three years. Mr Lee holds a Bachelor in Business Administration from Yonsei University in Korea and a Master of Science in Finance from University of Illinois at Urbana-Champaign in The United States.

Lim Yit Keong
Lead Independent Director

Mr Lim Yit Keong was appointed to our Board as an Independent Director on 1 July 2013 and was subsequently re-designated as Lead Independent Director on 28 February 2014. He also serves as the Chairman of the Audit Committee. He is currently a management consultant with Capital Consulting Pte Ltd. He founded Capital Consulting Pte Ltd in 2000. He has over 35 years of experience in the financial field with Global Knowledge Network Pte Ltd, KPMG, Dornier Asia Medical Systems Pte Ltd, Bena Consultancy Services, Braun AG and Wearnes Technology Pte Ltd, holding various senior financial positions. He is currently an independent director of China Kunda Technology Holdings Ltd. He is a Fellow member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

Board of Directors

Lui Seng Fatt
Independent Director

Mr Lui Seng Fatt was appointed to our Board as an Independent Director on 21 July 2014 and also serves as the Chairman of the Nominating Committee. He has over 30 years of experience in real estate and related businesses. Mr Lui last held the appointment of Regional Director and Head of Investments at Jones Lang LaSalle. He was the President of the GEREG Group of companies with major strategic businesses in Infrastructure, Real Estate and Financial Services in the Asia Pacific region and America. Mr Lui was also a Senior General Manager of Keppel Land International Limited, and was one of the key founding executives of Pidemco Land Limited, now known as CapitaLand Limited. Mr Lui was appointed the Honorary Advisor to the Real Estate Developers' Association of Singapore, on Real Estate Consultancy and Valuation. He graduated from the University of Singapore with a Bachelor degree in Architecture in 1979 under a Government of Singapore Merit Scholarship, and holds a Master in Business Administration with a major in Finance from the National University of Singapore.

Dr Toh See Kiat
Independent Director

Dr Toh was appointed to our Board as an Independent Director on 19 August 2014 and also serves as the Chairman of the Remuneration Committee. Dr Toh's practice is in the areas of Banking, Competition, Corporate, Commercial Law, Intellectual Property Rights, Information Technology and E-Commerce Law. He has been engaged by a wide range of corporate and commercial clients, industry bodies, and government agencies, including the Dubai Internet City (1999), the Dubai Port Authority (2000), the Abu Dhabi Department of Economic Planning (2006) and the Abu Dhabi Information and Systems Centre (2010). Dr Toh was a Member of Parliament and also served as Chairman of Aljunied Town Council. He was also President of the Consumers Association of Singapore and has been a member of national bodies such as the National Trust Council. Dr Toh graduated with an LLB (Hons) Degree from the National University of Singapore in 1982 and was admitted as an Advocate and Solicitor in Singapore in 1983. He obtained his Master's Degree in Law from Harvard University in 1986 and in 1991, he was awarded a PhD in Law by the University of London where he did his doctoral thesis in electronic commerce. He has also been admitted as a Solicitor in England and Wales.

Key Executives

Jang Jong Jung
Chief Executive Officer ("CEO")
Onion Holdings Co., Ltd

Mr Jang Jong Jung is the CEO of Onion Holdings Co., Ltd, and is responsible for overall strategies and management of Onion Holdings Co., Ltd. Prior to joining us in October 2001, Mr Jang has more than 14 years of experience in managerial and executive positions with other telecommunication companies in Korea. Mr Jang holds a Bachelor of Science degree in Computer Science from Dongkook University in Korea. He is also a member of the Mobile Society of Korea.

Hur Jung Young
Chief Technological Officer ("CTO")
Onion Holdings Co., Ltd

Mr Hur Jung Young is one of the founders of our Group and is currently the CTO of Onion Holdings Co., Ltd. Mr Hur is responsible for overall technical management and new business development. Prior to setting up Onion Holdings Co. Ltd, through his capacity of holding various senior management positions with other companies, he has accumulated invaluable experience in software development and telecommunication sectors. Mr Hur holds a Bachelor of Science Degree in Mathematics from Yonsei University in Korea.

Ong Kai Hian
Executive Director
Edition Development Pte. Ltd. and group of companies

Mr Ong Kai Hian was appointed as Executive Director of Edition Development Pte. Ltd., one of the principal subsidiaries of the Group in the property development segment, on 7 August 2014. He is responsible for overseeing the operations and business development of the property development segment. Mr Ong is an architect by training and was previously appointed as architectural designer in an award winning architectural firm in London. In Singapore, he last held the position of project architect with a local property developer. Mr Ong holds a RIBA (Part II) from the Architecture Association in London. Mr Ong is the son of Mr Ong Boon Chuan, the Company's Executive Chairman and CEO and his spouse, Mdm Kok Lee Kuen, who are both the controlling shareholders of the Company.

Ong Kai Hoe
Executive Director
Edition Development Pte. Ltd. and group of companies

Mr Ong Kai Hoe was appointed as Executive Director of Edition Development Pte. Ltd., one of the principal subsidiaries of the Group in the property development segment, on 7 August 2014. He is responsible for overseeing the operations and business development of the property development segment. Mr Ong has more than 7 years of experience in property project management and project marketing through his former appointment with a local property developer. Mr Ong holds a Diploma in Business Information Technology from Singapore Polytechnic. Mr Ong is the son of Mr Ong Boon Chuan, the Company's Executive Chairman and CEO and his spouse, Mdm Kok Lee Kuen, who are both the controlling shareholders of the Company

Chin Chen Siong
Financial Controller

Mr Chin Chen Siong was appointed as Financial Controller of the Group on 20 October 2014. He is responsible for the overall financial planning and financial management of the Group. Prior to joining the Group, he has several years of experience in a professional accounting firm and a public listed company. Mr Chin holds a Bachelor of Accountancy from Nanyang Technological University and also a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants ("ISCA").

Corporate Information

BOARD OF DIRECTORS
Ong Boon Chuan
Executive Chairman and Chief Executive Officer

Lee Jei Hoon
Executive Director

Lim Yit Keong
Lead Independent Director

Lui Seng Fatt
Independent Director

Dr Toh See Kiat
Independent Director

AUDIT COMMITTEE
Lim Yit Keong *(Chairman)*
Lui Seng Fatt
Dr Toh See Kiat

REMUNERATION COMMITTEE
Dr Toh See Kiat *(Chairman)*
Lim Yit Keong
Lui Seng Fatt

NOMINATING COMMITTEE
Lui Seng Fatt *(Chairman)*
Lim Yit Keong
Dr Toh See Kiat

COMPANY SECRETARIES
Lin Moi Heyang
Low Mei Wan

REGISTERED OFFICE
80 Robinson Road, #02-00
Singapore 068898
Telephone: (65) 6236 3333
Facsimile: (65) 6236 4399

PRINCIPAL PLACE OF BUSINESS
78 Gilstead Road
Singapore 309116

REGISTRATION NUMBER
200411873E

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
Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
Director in charge: Ms Kristin Kim
Year of appointment: Since financial year ended 31 December 2014

SPONSOR
SAC Capital Private Limited
1 Robinson Road,
#21-02 AIA Tower
Singapore 048542

Corporate Governance

Edition Ltd. (the "Company") is committed to maintain high standards of corporate governance within the Company and its subsidiaries. The Company believes that good corporate governance is imperative to the sustained growth and long term success of the Company. The Company therefore continually seeks to uphold a high standard of corporate governance and looks to improve corporate transparency to safeguard the interest of its Shareholders through sound corporate policies, business practices and internal controls.

This report outlines the Company's corporate governance processes and activities in conjunction with the Singapore Exchange Securities Trading Limited's (the "SGX-ST") requirement that issuers describe their corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "Code") in their annual reports.

The Company confirms that it has adhered to these principles and guidelines set out in the Code, where applicable, and has identified and explained areas of non-compliance in this report.

Principle 1: The Board's Conduct of Affairs

The Company is headed by its Board of Directors (the "Board") comprising professionals from different disciplines and entrusted with the responsibility for the overall management of the Group. The Board establishes corporate strategies of the Group, sets direction and goals for the executive team, monitors and reviews the financial performance of the Company, oversees internal controls and sets the Company's values and standards. These functions are carried out either directly or through designated Board Committees including the Audit Committee, Nominating Committee and Remuneration Committee, each of which operate within clearly defined and written terms of reference.

The Company's Constitutions allows a board meeting to be conducted by way of telephone or video conference. The Board meets at least twice a year and ad-hoc meetings will be convened as and when deemed necessary by the Board members. The non-executive Directors also set aside time to meet without presence of Management to review the latter's performance in meeting goals and objectives. The Board and Committees meetings held during the financial year ended 31 December 2015 are set out under page 12. The Board had also on various occasions used written resolutions by circulation to sanction certain decisions.

The principal functions of the Board apart from its statutory responsibilities are:

1. to approve the Group's strategic plans, key operational initiatives, major investments, major divestments and funding requirements;

2. to approve the annual budget, review the performance of the business and approve the release of the half year and full year financial results and annual report;

3. to provide guidance in the overall management of the business and affairs of the Group;

4. to oversee the processes for risk management, financial reporting and compliance;

5. to review the structure and size of the Board, following receipt of recommendation from the Nominating Committee and approve the appointment of directors and company secretary;

6. to approve the recommended framework of remuneration for the Board and key executives by the Remuneration Committee; and

7. to assume the responsibility for corporate governance of the Group.

Corporate Governance

The Company has adopted internal guidelines that require the approval of the Board. The types of material transactions that require the Board's approval includes the following:

1. Approval of release of financial results to the SGX-ST;

2. Approval of annual results and accounts;

3. Declaration of interim and proposal of final dividends;

4. Approval of corporate strategy;

5. Convening of shareholders' meetings; and

6. Authorisation of major transactions.

To enable the Board to fulfill its responsibilities, the Management provides the Board with a Management report containing complete, adequate and timely information prior to the Board meetings. Where possible and where the opportunity arises, the independent directors will be invited to locations within the Group's operating businesses to enable them to obtain a better perspective and enhance their understanding of the business. The Directors are briefed by professionals either during Board meetings or at separate meetings on regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company.

All newly appointed Directors will be provided with formal letters setting out their duties and obligations upon appointment. If they have no prior experience as directors of a listed company, they will be provided with training in relevant area and shall be briefed on the business and organisation structure of the Group as well as their duties and obligation as directors.

The Directors are aware of the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. Directors are also informed of regulatory changes initiated by or affecting the Company. The Directors will, from time to time, attend seminars and briefing sessions to enable them to keep pace with the regulatory changes, where changes to regulations and accounting standards have a material bearing on the Company. Such training included attendance by some directors for courses organised by Singapore Institute of Directors ("SID"), briefing and update provided by Company Secretary and other professionals in relation to changes of law, regulations and financial reporting standards.

During the year, some of the Directors have attended the following

(a) Corporate Governance Guides for Boards in Singapore provided by SID;

(b) Updates on development in Singapore Financial Reporting Standards provided by the external auditors, Nexia TS Public Accounting Corporation;

(c) Updates on the Financial Reporting Surveillance Programme provided by the external auditors; and

(d) Review of Companies Act changes provided by the Company Secretary.

The Company's external auditors update the Audit Committee and the Board on new or revised financial reporting standards annually.

Corporate Governance

The attendance of the Directors at the Board and Board Committee meetings held during the financial year ended 31 December 2015 is set out as follows:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meeting(s)							
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ong Boon Chuan	2	2	NA	NA	NA	NA	NA	NA
Chua Yang Hong [1]	2	2	NA	NA	NA	NA	NA	NA
Lee Jei Hoon	2	2	NA	NA	NA	NA	NA	NA
Lim Yit Keong	2	2	2	2	1	1	1	1
Lui Seng Fatt	2	2	2	2	1	1	1	1
Toh See Kiat [2]	2	1	2	1	1	1	1	1

Notes:
1. Mr Chua Yang Hong resigned as Executive Director of the Company on 31 December 2015.
2. Dr Toh See Kiat was absent in the meetings held in August 2015 due to medical reason.

Principle 2: Board Composition and Guidance

The Board comprises five Directors, three of whom are Independent Directors. The Directors of the Company are:

Ong Boon Chuan (Executive Chairman and Chief Executive Officer)
Lee Jei Hoon (Executive Director)
Lim Yit Keong (Lead Independent Director)
Lui Seng Fatt (Independent Director)
Toh See Kiat (Independent Director)

The Board is supported by various sub-committees, namely, the Nominating Committee, Audit Committee and Remuneration Committee whose functions are described in this report.

The Board is able to exercise objective judgment independently from Management and no individual or small group of individuals dominate the decisions of the Board.

The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate for effective decision making, with an objective of achieving a good mix and diversity of skills and experiences. The Board is made up of Directors who are qualified and experienced in various fields including property development, construction, software solution, business administration, accountancy and law. Details of which are as set out below with all board appointment be made based on merits, and candidates will be considered against objective criteria, having due regard for the benefit of diversity of the Board and the contribution that the selected candidate will bring to the Board.

	Number of Directors	Proportion of Board
Core Competencies		
Accounting or finance	1	20%
Legal	1	20%
Business management and relevant industry knowledge or experience	3	60%

Corporate Governance

The Board members provide a range of core competencies in accounting, finance, legal, business management experience and expertise and industry knowledge. The profile of each of the Directors is provided in this Annual Report under the heading "Board of Directors". Accordingly, the current Board comprises persons who as a group have core competencies necessary to lead and manage the Company effectively.

The independence of each Director is reviewed annually by the Nominating Committee in accordance with the Code's definition of independence. Each Director is required to complete a "Confirmation of Independence of Director" form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 in the Code and Section 1.2.2 of the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee requires each Director to assess whether he considers himself independent despite not having any of the relationships defined in the Code. The Independent Directors have respectively confirmed that they do not have any relationship including immediate family relationship with the Company, its related companies, other directors and the 10% shareholders of the Company that would interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view of the best interest of the Company. The Nominating Committee is satisfied that the Independent Directors of the Company are independent and further, that no individual or small group of individuals dominate the Board's decision making process.

With the Independent Directors making up more than half of the Board, the Nominating Committee is of the view that there is a strong and independent element on the Board. The requirement of the Code is also met for independent directors to make up at least half of the Board where the Chairman of the Board and the Chief Executive Officer is the same person, the Chairman is part of the Management as well as not an independent director.

As of the date of this report, there is no Independent Director who has served for a continuous period of nine years or more from the date of his first appointment.

Non-Executive and Independent Directors provide, amongst others, strategic guidance to the Company based on their professional knowledge, in particular, assisting to constructively challenge and develop proposals on strategy. The Non-Executive and Independent Directors also help to review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. To this end and where appropriate, they are encouraged to arrange for meetings without the Management being present, on a regular basis and at times deemed necessary.

Principle 3: Chairman and Chief Executive Officer

Mr Ong Boon Chuan is the Executive Chairman of the Board and Chief Executive Officer of the Company. The role of the Executive Chairman and Chief Executive Officer is not separate as the Board is of the view that it is in the best interest of the Company to adopt a single leadership structure to ensure that the decision making process of the Company would not be unnecessarily impeded as well as to ensure that the Company is able to grasp business opportunities efficiently and promptly. Although the roles are not separated, the Audit Committee, Nominating Committee and Remuneration Committee are chaired by Independent Directors. In addition, the Board believes that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable concentration of power or influence. All major decisions are made in consultation with the Board as a whole.

Mr Lim Yit Keong has been appointed as the Lead Independent Director of the Company and he is available to shareholders should they have concerns which cannot be resolved through the normal channels of the Executive Chairman or Financial Controller or for which such contact is inappropriate and acts as a counter-balance in the decision making process. Where warranted, the Lead Independent Director will meet the Independent Directors of the Company without the presence of Management and the other executive directors to review any matters that must be raised privately. Any feedback will be given to the Executive Chairman after such meetings.

Corporate Governance

As the Executive Chairman, Mr Ong Boon Chuan is responsible for, amongst others:

(a) Leading the Board to ensure its effectiveness on all aspects of its role, scheduling meetings of the Board and setting the Board meeting agenda in consultation with the Company's senior management;

(b) Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;

(c) Assisting in ensuring compliance with the Company's guidelines on corporate governance;

(d) Ensuring effective communication with shareholders;

(e) Encouraging constructive relations between the Board and Management as well as between Executive Directors and Non-Executive and Independent Directors; and

(f) Facilitating the effective contribution of Non-Executive and Independent Directors in particular.

The Board has no dissenting view on the CEO's statement to the shareholders of the financial year under review.

Principle 4: Board Membership

Board Membership and Board Performance

To facilitate a formal and transparent process for the appointment of new Directors, the Board has formed the Nominating Committee.

The Nominating Committee comprises:

Mr Lui Seng Fatt	(Chairman)
Mr Lim Yit Keong	(Member)
Dr Toh See Kiat	(Member)

The Nominating Committee comprises three members, all of whom, including the Chairman are Independent Directors.

The Nominating Committee has written terms of reference and its role includes:

1. Making recommendations to the Board on all board appointments, including the development of a set of criteria for Director appointments;

2. Re-nominating Directors having regard to the Director's contribution to the Group and his performance at Board Meetings, for example, attendance, participation and critical assessment of issues deliberated by the Board;

3. Considering and determining on an annual basis, whether or not a Director is independent;

4. Deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board; and

5. Assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board.

Corporate Governance

The process for the shortlisting, selection and appointment of all new directors is spearheaded by the Nominating Committee. In the selection and nomination of new director, the Nominating Committee taps on the resources of the Directors' personal contacts for recommendation of potential candidates. External help (for example executive recruitment agencies) would be used to source for potential candidates, if need be. Interviews are set up with potential candidates so that the Nominating Committee is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval.

The Nominating Committee decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders value.

Although some of the Board members have multiple board representations and principal commitments, the Nominating Committee is satisfied that the Directors have devoted sufficient time and attention to the Company. As time requirement of each director are subjective, the Nominating Committee has decided not to fix a maximum limit on the number of directorship a director can hold. The Board has experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance of the meeting dates.

Pursuant to the Constitution of the Company:

(a) one third of the Directors shall retire from office at every Annual General Meeting ("AGM"); and

(b) Directors appointed during the course of the year must submit themselves for re-election at the next AGM of the Company.

The Board had accepted the Nominating Committee's recommendation to seek approval from Shareholders at the forthcoming AGM to re-elect Mr Lui Seng Fatt and Mr Lim Yit Keong, the Independent Directors of the Company who will be retiring according to Article 91 of the Constitution of the Company. In reviewing the re-nomination of the Board members who are due for re-election as a director of the Company, no member of the Board shall vote in respect of his own re-nomination.

In making the above recommendations, the Nominating Committee had considered the Directors' overall contribution and performance (such as attendance, preparedness, participation and candour) with reference to the results of the assessment of the performance of the individual director by his peers. Upon review, the Directors are recommended to the Board for re-appointment. The Nominating Committee is satisfied that the performance criteria are satisfied for the financial year in review.

Corporate Governance

The key information of the Directors as at the date of this report is set out below:

Name of Directors	Date of initial appointment as Director/ Date of last re-election as Director	Present directorship in other listed companies / other principal commitments	Past directorship in other listed companies / other principal commitments in the preceding three (3) years
Ong Boon Chuan (Executive Chairman and Chief Executive Officer)	21 July 2014 / 27 April 2015	Principal commitments: B&L Group Pte Ltd (Director) TG Development Pte. Ltd. (Director) TG Corporate Holdings Pte. Ltd. (Director)	–
Lee Jei Hoon (Executive Director)	16 September 2004 / 27 April 2015	–	–
Lim Yit Keong (Lead Independent Director)	1 July 2013 / 24 April 2014	Directorship in listed companies: China Kunda Technology Holdings Ltd (Independent Director)	Directorship in listed companies: R H Energy Ltd (Independent Director)
Lui Seng Fatt (Independent Director)	21 July 2014 / 27 April 2015	Principal commitments: Strategic Capital Global Pty. Ltd. (Director)	Directorship in listed companies: Ying Li International Real Estate Limited (Co-Lead Independent Director)
Dr Toh See Kiat (Independent Director)	19 August 2014 / 27 April 2015	Principal commitments: Goodwins Law Corporation (Chairman and Director) The Pwee Foundation Ltd (Secretary) CommerceNet Singapore Ltd (Director) Mount Carmel BP Church Ltd. (Member)	–

Principle 5: Board Performance

The Nominating Committee has conducted a formal assessment of the performance of the Board (including Board Committees) as a whole in view of the complementary and collective nature of the Directors' contributions as well as individual assessment of each director with inputs from other Board members and the Chairman.

At the end of each financial year, the evaluations of the Board and individual directors are conducted through a questionnaire seeking the Directors' views on a set of criteria which includes the Board's conduct of meetings, maintenance of independence, board accountability, communication with management, etc. The Nominating Committee also assesses the performance of individual Directors based on their quality of participation at the Board and Board committee meetings. The Company Secretary then compiles the Directors' responses to the questionnaires into a summarised report and circulates the same to the Nominating Committee and the Board for discussion.

Corporate Governance

The Chairman acts on the results of the performance evaluation and, where appropriate and in consultation with the Nominating Committee, proposes new members to be appointed to the Board or seek the resignation of Directors.

The criterions for performance are not changed from year to year except when deemed necessary and justifiable. Where the performance criteria are deemed necessary to be changed, the onus should be on the Board to justify this decision.

Principle 6: Access to Information

The Board is provided with complete and adequate information prior to Board meetings. The Company circulates copies of the Minutes of the Meetings of the Board and all Board Committees to all members of the Board to keep them informed of on-going developments within the Group. Board papers are generally sent to Directors in advance, including financial management reports, reports on performance of the Group against the budget with notes on any significant variances, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. In addition, management provides the Board with project briefs at an early stage to keep the Board abreast of the progress of the projects and potential business developments.

The Directors have separate and independent access to the Company's senior management and the Company Secretary at all times. Should the Directors, whether as a group or individually, require independent professional advice concerning any aspect of the group's operations or undertakings in order to fulfill their roles and responsibilities as directors, such professionals (who will be selected with the approval of the Executive Chairman or the Chairman of the Committee requiring such advice) will be appointed and the expenses of such services will be borne by the Company.

The Company Secretary provides corporate secretarial support to the Board and senior management as well as ensures adherence to the Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary attends Board and Board Committees Meetings and is responsible for ensuring that Board procedures are followed. The appointment and removal of the Company Secretary is a matter that has to be decided by the Board as a whole.

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and mix of Remuneration

The Remuneration Committee, regulated by a set of written terms of reference, comprises three members, all of whom, including the Chairman are independent directors. The members of the Remuneration Committee are as follows:

Dr Toh See Kiat	(Chairman)
Mr Lim Yit Keong	(Member)
Mr Lui Seng Fatt	(Member)

The Remuneration Committee's roles include reviewing and recommending to the Board an appropriate and competitive framework for the remuneration for the Board and key executives of the Group and to ensure that it attracts, retains and motivates them to run the Group successfully.

In setting remuneration packages, the Remuneration Committee will take into account the performance of the Group as well as the Directors and key executives, aligning their interests with those of Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the longer term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind. The Remuneration

Corporate Governance

Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No Director shall participate in decisions on his own remuneration. The payment of Directors' fees is subject to the approval of Shareholders. The Remuneration Committee's role also includes the review of Executive Directors and key executives' contracts during termination, to ensure that such contracts of services contain fair and reasonable termination clauses.

No independent consultant has been engaged for advising on the remuneration of all Directors. However, in discharging its functions, the Remuneration Committee may obtain independent external professional advice as it deems necessary. The expenses of such advice shall be borne by the Company.

Executive Directors do not receive directors' fees but are remunerated as members of Management. The remuneration package of the Executive Directors and the key executives comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of the Shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The remuneration of the Non-Executive Directors is in the form of a fixed fee which is fixed after taking into consideration factors such as effort, time spent and responsibilities of the Directors. Non-Executive Directors' fees are subject to Shareholders' approval at the Annual General Meeting.

Principle 9: Disclosure on Remuneration

Taking note of the competitive pressure in the talent market and the confidentiality attached to the remuneration matters, the Board has, on review, decided not to disclose the remuneration of the Company's Directors in nearest thousand. A breakdown showing the level and mix of each individual Director's remuneration for the financial year ended 31 December 2015 is set out below:

Directors	Salary	Bonus	Directors' fees	Others	Total Remuneration
S$500,000 to S$750,000					
Mr Ong Boon Chuan[1]	81%	18%	–	1%	100%
Below S$250,000					
Mr Lee Jei Hoon	99%	1%[2]	–	–	100%
Mr Chua Yang Hong[3]	90%	8%	–	2%	100%
Mr Lim Yit Keong	–	–	100%	–	100%
Mr Lui Seng Fatt	–	–	100%	–	100%
Dr Toh See Kiat	–	–	100%	–	100%

Notes:

1. Mr Ong Boon Chuan was appointed as Executive Chairman and Chief Executive Officer of the Company on 21 July 2014. Based on his service agreement, Mr Ong is eligible to a fixed bonus and a performance bonus. For performance bonus, if the consolidated profit before income tax of the Group ("PBT") exceeds S$2 million based on the audited financial statements, equivalent to 2% of the first S$1 million of the PBT exceeding S$2 million, S$20,000 plus 3% of the next S$1 million of the PBT, S$50,000 plus 4% of the next S$1 million of the PBT, and S$90,000 plus 5% of the PBT in excess of S$5 million. Based on the audited financial statement for FY2015, no performance bonus would be paid to Mr Ong.
2. Mr Lee Jei Hoon is eligible to a fixed bonus.
3. Mr Chua Yang Hong resigned as Executive Director of the Company on 31 December 2015. The actual remuneration paid to Mr Chua in FY2015 amounted to S$199,000.

Corporate Governance

The performance conditions used to determine the performance bonus of the Executive Directors and key executives comprises qualitative and quantitative conditions. The performance conditions are set by the Remuneration Committee and the Remuneration Committee has reviewed and is satisfied that the performance condition of the Directors and key executives were met for the financial year ended 31 December 2015.

Having considered several factors including the sensitive nature of the subject, the competitive business environment the Group operates in and the highly competitive human resource environment, the Group is of the view that in order to maintain confidentiality of the remuneration matters, remuneration of the top 5 key executives will be disclosed on a band-wide manner, without further disclosing the names of these key executives, as well as breakdown of their remuneration, and the aggregate of the total remuneration.

The remuneration of the key executives of the Group (who are not Directors) for FY2015 is set out below:

	Number of Key Executives
Below S$250,000	5

The remuneration of the key executives (who are not Directors) of the Group is disclosed above in respect of remuneration which falls within bands of S$250,000 for that financial year.

The remuneration paid to Mr Ong Kai Hian and Mr Ong Kai Hoe, who are sons of Mr Ong Boon Chuan (Executive Chairman and Chief Executive Officer and Controlling Shareholder of the Company) and Madam Kok Lee Kuen (spouse of Mr Ong Boon Chuan and Controlling Shareholder of the Company) for the financial year ended 31 December 2015 in bands of S$50,000 is set out below:

Employees	**Salary**	**Bonus**	**Others**	**Total Remuneration**
S$50,000 to S$100,000				
Mr Ong Kai Hian	82%	7%	11%	100%
Mr Ong Kai Hoe	82%	7%	11%	100%

Mr Ong Kai Hian and Mr Ong Kai Hoe are directors of Edition Development group of companies. The basis of determining the remuneration of Ong Kai Hian and Ong Kai Hoe is the same as the basis of determining the remuneration of the other key executives.

For the financial year ended 31 December 2015, there were no termination, retirement or post-employment benefits granted or may be granted to the Directors, the Chief Executive Officer and key executives other than the standard contractual notice period termination payment in lieu of service, and the benefits for the Chief Executive Officer and relevant key executives.

Where appropriate, the Remuneration Committee reviews the service contracts of the Company's Executive Directors and key executives. Services contracts for Executive Directors are renewable for a fixed appointment period of two or three years and may be terminated by not less than three or six months' notice in writing served by either party or salary in lieu of notice.

There are no contractual provisions under the present remuneration structure that allow the Company to reclaim variable incentive components of remuneration from the Executive Directors and key executives. However, in alignment with current regulatory standards, the variable incentives of the Executive Directors and key executives may be clawed back in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the Company.

Corporate Governance

The Company's compensation framework comprises fixed salary, short term and long term incentives. The Company subscribes to linking the executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees. Profit sharing scheme has been put in place to motivate and reward employees and align their interests to maximise long-term Shareholder value. The Remuneration Committee does consider granting long term incentive, such as employee share options, at the appropriate time. As at the date of this Report, the Company does not have an employee share options scheme for the financial year in review

Principle 10: Accountability

In presenting the annual financial statements and announcements of financial results to Shareholders, it is the aim of the Board to provide Shareholders with a balanced and understandable assessment of the Company's and Group's performance, position and prospects. The Board is mindful of the obligation to provide timely and fair disclosure of material information and price sensitive information. The Board is accountable to the Shareholders while the Management is accountable to the Board.

Principle 11: Risk Management and Internal Controls

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, that there are maintenance of proper accounting records, that financial information are reliable and that assets are safeguarded.

The external auditors, during the conduct of their normal audit procedures, will also report on matters relating to internal controls. Any material non-compliance and recommendation for improvement will be reported to the Audit Committee.

The Board, with the assistance of the Audit Committee and the external auditors, has reviewed the adequacy and effectiveness of the Group's risk management systems and system of internal controls addressing key financial, operational, compliance and information technology risks. Based on the reviews conducted, the Board, with the concurrence of the Audit Committee, is of the opinion that the risk management systems and the system of internal controls on the financial, operational, compliance and information technology risks were adequate and effective throughout and as at end of the financial year.

The Board has also received assurance from the Chief Executive Officer and Financial Controller that the financial records as at 31 December 2015 have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Company's operations and finances, as well as the Company's risk management and internal control systems are adequate and effective throughout the financial year.

Principle 12: Audit Committee

The Audit Committee consists of the following directors, all of whom are Independent Directors:

Mr Lim Yit Keong	(Chairman and Lead Independent Director)
Mr Lui Seng Fatt	(Member)
Dr Toh See Kiat	(Member)

Corporate Governance

The Company is of the view that given the size of the Company and expertise rendered by the Audit Committee in the past years, the Audit Committee has sufficient financial and management expertise and experience amongst its members to discharge the Audit Committee's responsibilities.

The Audit Committee has written terms of reference. Specifically, the Audit Committee meets on a periodic basis to perform the following functions:

(a) to assist the Board in the identification and monitoring of areas of significant business risks with the help of external auditors;

(b) to review compliance with the SGX-ST's Listing Manual Section B: Rules of Catalist ("Catalist Rules") and the Code, effectiveness of financial and accounting control systems and management of exposure to financial and business risks;

(c) to review the audit plan of the external auditors of the Company;

(d) to review the Group's system of internal controls relevant to the Company's preparation of financial statements with the assistance of the external auditors;

(e) to recommend the re-appointment and removal of the external auditors and to review the level of audit fees;

(f) to review the independence of the Company's auditors on an annual basis;

(g) to review the assistance given by the Company's officers to the external auditors;

(h) to review the Group's half-yearly management reports and results announcements;

(i) to review the consolidated balance sheet and profit and loss account of the Group and other financial statements and other documents accompanying the same; and

(j) to review and where appropriate, approve interested person transactions, if any.

The Audit Committee is also authorised to investigate any matter within its terms of reference. It has full access to and the cooperation from Management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The executive management of the Company attends meetings of the Audit Committee on invitation.

The Audit Committee meets the external auditors at least once annually without the presence of the Company's Management. This is to review the co-operation rendered by Management to the external auditors, the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audit, internal controls including internal audit matters relevant to the Company's preparation of financial statements and the independence and objectivity of the external auditors. It also examine any other aspects of the Company's affairs, as it deems necessary when such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The Audit Committee has met with the external auditors without the presence of the management once this year.

In the selection of suitable audit firms, the Audit Committee takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as Singapore-incorporated subsidiaries of the Company. The Group's significant subsidiaries and associated companies are audited by the same auditing firm for the Company. Accordingly, the Company is in compliance with Rules 712 and 715 of the Catalist Rules.

Corporate Governance

The Audit Committee is kept abreast by the Management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements. The Audit Committee conducted two meetings in FY2015, during which results announcements, independence of auditors, appointment of auditors and interested person transactions were reviewed, and the duties as described above were carried out.

The amount of fees paid to the external auditors for audit services for the financial year ended 31 December 2015 is S$61,000.

The Audit Committee also reviews all non-audit services provided by the external auditors to ensure that the provision of these services does not affect the independence of the auditors. For the financial year ended 31 December 2015, Nexia TS Pte. Ltd. provided tax compliance services to the Company other than the audit services. The non-audit fees paid to Nexis TS Public Accounting Corporation amounted to S$3,000 for the financial year ended 31 December 2015. The Audit Committee is satisfied that provision of such services did not prejudice the independence and objectivity of the external auditors.

Principle 13: Internal audit

The Company has not engaged external professional firm of accountants to discharge the internal audit function and the size of the Group's operation does not at the present warrant the Group to have an in-house Internal Audit function. The review of the adequacy of internal controls is currently conducted by the Audit Committee in conjunction with the assistance of the external auditors. The Audit Committee reviews the adequacy and effectiveness of internal controls procedures, regularly, and is satisfied that the internal control function is adequate.

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the Audit Committee. Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measure to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee. Having considered the Company's business operations as well as the existing internal controls and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders

The Company is mindful of its obligation to ensure a timely and adequate disclosure of information on matters of material impact on the Company are made to Shareholders of the Company, in compliance with the requirements set out in the Catalist Rules, with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to Shareholders on a half–yearly basis. Shareholders are kept informed of developments and information of the Group through announcements published via SGXNET and the press when necessary as well as in the annual report. Other announcements are also made on an ad-hoc basis where applicable. A copy of the Annual Report and notice of the AGM are sent to all Shareholders of the Company within the mandatory prescribed period.

The Company employs multiple communication platforms to engage with its shareholders. In addition to its results briefing, the Company also maintains regular dialogue with its shareholders through AGM, EGMs, group briefings and one-to-one meetings and discussion pertaining to the business strategy, operational performance and business prospects. These platforms offer opportunities for the senior management and directors to interact first-hand with shareholders, understand their views, gather feedback and address their concerns.

Corporate Governance

Principle 16: Conduct of Shareholder Meetings

At general meetings, Shareholders of the Company are given the opportunity to air their views and ask Directors or Management questions regarding the Company. The Board (including respective Chairman of Committees), Management and external auditors will be present at these meetings to address any questions that Shareholders may have. All minutes of general meetings are available to Shareholders upon their request.

The Company's Constitution allows a member of the Company who is not a relevant intermediary to appoint not more than two proxies to attend and vote at general meetings. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at general meetings. For the time being, the Board is of the view that two proxies for each non-intermediary member is adequate to enable Shareholders to participate in general meetings of the Company and is not proposing to amend the Constitution to allow votes in absentia. All Shareholders have the opportunity to participate effectively in and vote at general meetings. Separate resolutions on each distinct issue are tabled at general meetings. "Bundling" of resolutions are kept to a minimum and done only where the resolutions are interdependent as to form one significant proposal and only where there are reasons and material implication involved.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" under Section 181(1C) of the Companies Act, Chapter 50, to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes person or corporation holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

As this legislative amendment is in favour to the Company's shareholders, the Company will adopt this new legislation in the forthcoming AGM and will seek shareholders' approval formally via special resolution for the amendment of the Constitution following the full implementation of the legislative changes under Companies Act, Chapter 50.

The Company may also hold media meetings on significant events.

With effect from 1 August 2015, the Company conducts the voting of all its resolutions by poll at its general meetings. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNET.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors deem appropriate.

The Company is currently in its growth phase and therefore it is intended that the funds be reserved as general working capital for the Company's business. Thus, the Company did not declare any dividend for the financial year ended 31 December 2015.

RISK MANAGEMENT

The Board acknowledges that risks are inherent in business and views the taking of risks as a prelude to generating returns. However, the Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks.

The primary responsibility for identifying business risk lies with Management, who then tables and recommends processes to the Board for their review and deliberation and for formulating policies to deal with the risks.

Corporate Governance

WHISTLE-BLOWING POLICY

The Company has in place a Whistle-blowing Policy and arrangements by which the staff may in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters to ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports are sent to the Chairman of Audit Committee. The Company will review the current Whistle-blowing Policy and extend the policy to external parties such as customers, suppliers, and other stakeholders in the future, where appropriate.

The Audit Committee oversees the administration of the Whistle-blowing Policy. Periodic reports will be submitted to the Audit Committee stating the number and the complaints received, the results of the investigations and follow-up actions.

There were no complaints received for the financial year ended 31 December 2015.

DEALINGS IN SECURITIES

The Company has adopted its own internal guide for dealings in the Company's securities by its officers. The Directors, officers and staff of the Company and the Group are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year results until after the release of the announcement, and at any time they are in possession of unpublished material price sensitive information in relation to these securities. The Company, Directors, officers and staff of the Company and the Group are also advised not to deal in the Company's securities on short-term considerations.

The Company, Directors and key executives of the Company are also advised to observe insider trading laws at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

This is in line with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the Audit Committee.

The Group does not have a general shareholders mandate for interested person transactions pursuant to Rule 920 of the Listing Manual. For the financial year ended 31 December 2015, there were no interested person transactions with the aggregate value exceeding S$100,000.

MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiary companies, involving the interest of any Director, Chief Executive Officer or controlling shareholder subsisting at the end of the financial year ended 31 December 2015 or if not then subsisting, entered into since the previous financial year.

NON-SPONSOR FEES

No fee relating to non-sponsor services was paid to the Company's Sponsor, SAC Capital Private Limited, for the financial year ended 31 December 2015.

Corporate Governance

UTILISATION OF PROCEEDS

On 21 February 2014, the Company entered into a placement and call option agreement for the issue and allotment of 210,000,000 new shares and call option for the issue and allotment of up to 210,000,000 shares at an issue and exercise price of S$0.03 per share.

During the financial year ended 31 December 2015, the Company completed a rights issue in which 2,138,515,740 shares have been allotted and issued ("Rights Issue"). The Rights Issue was completed on 8 July 2015 and the total proceeds from the Rights Issue were S$21.39 million.

The details of the utilisation of the net proceeds are as shown below:

Placement

Description	Amount allocated (S$ million)	Amount utilised (S$ million)	Balance (S$ million)
Exploration of the property development business	5.4	(1.5)	3.9
General working capital*	0.6	(0.6)	–
Total	**6.0**	**(2.1)**	**3.9**

The use of net proceeds from the Placement is in accordance with the intended use as set out in the circular dated 24 June 2014.

Rights Issue

Description	Amount allocated (S$ million)	Amount utilised (S$ million)	Balance (S$ million)
Exploration of the property development business	12.1	–	12.1
General corporate activities	5.0	(0.7)	4.3
General working capital*	4.0	(1.2)	2.8
Total	**21.1**	**(1.9)**	**19.2**

** General working capital mainly consist of employees' compensation, professional fees and other administrative expenses.*

The use of net proceeds from the Rights Issue is in accordance with the intended use as set out in the offer information statement dated 17 June 2015.

Corporate Governance

CORPORATE SOCIAL RESPONSIBILITY

Apart from creating long term value for its stakeholders and upholding high standard of governance, the Company recognises the importance of environment sustainability and social responsibility.

The Group focuses on enhancing a healthy and safe work environment as well as instilling a sustainable value in our workplace. To ensure a healthy and safe work environment for our employees, a weekly training programme in relation to essential and critical workplace safety has been established. For FY2015, the Group did not record any work injury, occupational diseases or absenteeism as a results of workplace injury.

In addition, the Group is committed to adopting green initiatives and green policies by reducing waste, energy and water consumption within the Group.

During the year, the Group invested into the hi-tech farming business through incorporating energy and water efficient designed and work practices for a more productive agricultural production.

Financial Contents

Directors' Statement

For the financial year ended 31 December 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet of the Company as at 31 December 2015.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 35 to 105 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Lee Jei Hoon
Mr Lim Yit Keong
Mr Ong Boon Chuan
Mr Lui Seng Fatt
Dr Toh See Kiat

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Directors' Statement

For the financial year ended 31 December 2015

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2015	**At 1.1.2015**	**At 31.12.2015**	**At 1.1.2015**
Edition Ltd. (No. of ordinary shares)				
Lee Jei Hoon	**58,199,100**	**816,100**	**–**	**–**
Ong Boon Chuan	**–**	**–**	**2,129,966,000**	**229,966,000**
Immediate and ultimate holding corporation - B&L Group Pte. Ltd. (No. of ordinary shares)				
Ong Boon Chuan	**70**	**70**	**100**	**100**

(b) According to the register of directors' shareholdings, certain director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Edition Placement Share Option as set out below and under "Share options" on page 30 of this Statement.

	No. of unissued ordinary shares under option	
	At 31.12.2015	**At 1.1.2015**
2014 Adjustment Call Options		
Ong Boon Chuan	325,701,415	195,000,000

(c) By virtue of Section 7 of the Singapore Companies Act (Cap.50) (the "Act"), Mr. Ong Boon Chuan is deemed to have interest in all the subsidiary corporations of the Company.

(d) The directors' interests in the ordinary shares of the Company as at 21 January 2016 were the same as those as at 31 December 2015.

Directors' Statement

For the financial year ended 31 December 2015

Share options

2014 Adjustment Call Options

Grant of the Call Option to subscribe for up to 210,000,000 ordinary shares (the "2014 Call Options") of the Company was approved by members of the Company at an Extraordinary General Meeting on 16 July 2014.

Under the 2014 Call Options, options to subscribe for the ordinary shares of the Company have been granted to the shareholders at an exercise price of S$0.03 per ordinary share. The options are exercisable at any time during the period commencing from 1st anniversary of the date of the 2014 Call Options agreement and ending between the 2nd to 4th anniversary of the date of the 2014 Call Options agreement. As a results of the allotment and issuance of 2,138,515,740 shares (the "Rights Issue") in 2015, pursuant to the adjustment of the Separate Placement and Call Option Agreement, the Call Option Shares have been adjusted to 350,755,370 new ordinary shares at an adjusted exercise price of S$0.01796 for each share (the "Adjustment Call Option Shares"). Details of the options granted to an executive director of the Company are as follows:

	No. of unissued ordinary shares of the Company under Option			
	Options granted during the financial year	**Aggregate options granted since commencement to 31.12.2015**	**Aggregate options exercised since commencement to 31.12.2015**	**Aggregate options outstanding as at 31.12.2015**
Name of director				
Ong Boon Chuan	130,701,415	325,701,415	–	325,701,415

The number of unissued ordinary shares of the Company under option in relation to the 2014 Adjustment Call Options outstanding at the financial year was as follows:

	No. of unissued ordinary shares as at 31.12.2015			**Exercise price**	**Exercise period**
	Balance as at 1.1.2015	**Options granted**	**Balance as at end of year**		
2014 Adjustment Call Option Shares	210,000,000	140,755,370	350,755,370	S$0.01796	17.07.2015-16.07.2018

Directors' Statement

For the financial year ended 31 December 2015

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Lim Yit Keong (Chairman & Lead Independent Director)
Lui Seng Fatt (Member)
Toh See Kiat (Member)

All members of the Audit Committee were non-executive and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee:

- Assists the Board in the identification and monitoring of areas of significant business risks with the help of independent auditors;
- Reviews compliance with the SGX-ST's Listing Manual Section B: Rules of Catalist ("Catalist Rules") and the Code, effectiveness of financial and accounting control systems and management of exposure to financial and business risks;
- Reviews the audit plan of the independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- Recommends the re-appointment and removal of the independent auditor and to review the level of audit fees;
- Reviews the independence of the Company's auditors on an annual basis;
- Reviews the assistance given by the Company's management to the independent auditors;
- Reviews the Group's half-yearly management reports and announcements;
- Reviews the balance sheet of the Company and the consolidated financial statements of the Group and other documents accompanying the same; and
- Reviews and where appropriate, approve interested person transactions, if any.

The Audit Committee has met with the independent auditor without the presence of the Company's management at least once a year.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Directors' Statement

For the financial year ended 31 December 2015

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ong Boon Chuan Director	**Lee Jei Hoon** Director

24 March 2016

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Edition Ltd. (the "Company") and its subsidiary corporations (the "Group") set out on pages 35 to 105, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2015, the consolidated statement of comprehensive income, statement of changes in equity and 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 (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 statements 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. 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.

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

Independent Auditor's Report

To the Members of Edition Ltd. (cont'd)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

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 subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Kristin YS Kim
Appointed since financial year ended 31 December 2014

Singapore

24 March 2016

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2015

	Note	**2015 USD'000**	2014 USD'000
Revenue	5	**1,660**	2,025
Other gains and losses	6	**1,182**	735
Expenses:			
- Employee compensation	7	**(2,428)**	(2,583)
- Change in inventories		**(21)**	–
- Rental expense on operating lease		**(35)**	(2)
- Depreciation, amortisation and impairment charges		**(215)**	(265)
- Subcontractors' fees		**(329)**	(736)
- Professional fees		**(374)**	(635)
- Finance expenses	8	**(198)**	(222)
- Other expenses		**(483)**	(313)
Total expenses		**(4,083)**	(4,756)
Share of results of associated companies	18	**305**	775
Loss before income tax		**(936)**	(1,221)
Income tax expense	10	**(149)**	(272)
Net loss		**(1,085)**	(1,493)
Net (loss)/profit attributable to:			
Equity holders of the Company		**(1,191)**	(1,493)
Non-controlling interests		**106**	–
		(1,085)	(1,493)
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains		**340**	102
Share of other comprehensive (losses)/income of associated company	18	**(60)**	13
Currency translation differences arising from consolidation		**(1,934)**	(485)
		(1,654)	(370)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans		**(117)**	(87)
Other comprehensive losses, net of tax	10	**(1,771)**	(457)
Total comprehensive losses		**(2,856)**	(1,950)
Total comprehensive income attributable to:			
Equity holders of the Company		**(3,049)**	(1,950)
Non-controlling interests		**193**	–
		(2,856)	(1,950)
Loss per share attributable to equity holders of the Company (USD cents per share)			
- Basic and diluted	11	**(0.08)**	(0.59)

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As at 31 December 2015

		Group		Company	
		2015	2014	**2015**	2014
	Note	**USD'000**	USD'000	**USD'000**	USD'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**19,874**	4,541	**18,963**	2,746
Trade and other receivables	13	**597**	427	**2,322**	611
Inventories	14	**17**	–	**–**	–
		20,488	4,968	**21,285**	3,357
Non-current assets					
Investment properties	15	**3,774**	4,151	**–**	–
Property, plant and equipment	16	**1,749**	1,860	**7**	5
Intangible assets	17	**86**	1	**5**	–
Investments in associated companies	18	**–**	3,440	**–**	–
Investments in subsidiary corporations	19	**–**	–	**2,501**	7,267
Available-for-sale financial assets	20	**3,749**	2,100	**–**	–
Transferable club memberships	21	**62**	66	**–**	–
Other receivables	22	**72**	33	**–**	–
Land development rights	23	**656**	741	**–**	–
Deferred income tax assets	24	**–**	–	**–**	–
		10,148	12,392	**2,513**	7,272
Total assets		**30,636**	17,360	**23,798**	10,629
LIABILITIES					
Current liabilities					
Trade and other payables	25	**391**	1,113	**233**	351
Borrowings	26	**–**	–	**–**	174
		391	1,113	**233**	525
Non-current liabilities					
Borrowings	26	**4,690**	5,061	**–**	365
Retirement benefits	27	**168**	431	**–**	–
Other payables	25	**174**	216	**–**	–
		5,032	5,708	**–**	365
Total liabilities		**5,423**	6,821	**233**	890
NET ASSETS		**25,213**	10,539	**23,565**	9,739
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	29	**33,034**	17,553	**33,034**	17,553
Treasury shares	29	**(994)**	(994)	**(994)**	(994)
Other reserves	30	**(1,820)**	(26)	**(1,712)**	(641)
Accumulated losses	31	**(6,876)**	(5,994)	**(6,763)**	(6,179)
		23,344	10,539	**23,565**	9,739
Non-controlling interests		**1,869**	–	**–**	–
Total equity		**25,213**	10,539	**23,565**	9,739

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2015

	Attributable to equity holders of the Company			Accumulated losses				
	Share capital	Treasury shares	Fair value reserve	Currency translation reserve	Actuarial losses	Other	Non-controlling interests	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
2015								
Beginning of financial year	17,553	(994)	432	(458)	(120)	(5,874)	–	10,539
Issue of new shares (Note 29)	15,578	–	–	–	–	–	–	15,578
Share issue expenses (Note 29)	(97)	–	–	–	–	–	–	(97)
Disposal of interest in a subsidiary corporation without loss of control	–	–	–	–	–	373	1,816	2,189
Acquisition of a subsidiary corporation	–	–	–	–	–	–	(140)	(140)
Total comprehensive income/(losses) for the year	–	–	137	(1,931)	(64)	(1,191)	193	(2,856)
End of financial year	**33,034**	**(994)**	**569**	**(2,389)**	**(184)**	**(6,692)**	**1,869**	**25,213**
2014								
Beginning of financial year	12,667	(994)	317	27	(33)	(4,381)	–	7,603
Issue of new shares (Note 29)	5,187	–	–	–	–	–	–	5,187
Share issue expenses (Note 29)	(301)	–	–	–	–	–	–	(301)
Total comprehensive (losses)/income for the year	–	–	115	(485)	(87)	(1,493)	–	(1,950)
End of financial year	**17,553**	**(994)**	**432**	**(458)**	**(120)**	**(5,874)**	**–**	**10,539**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2015

	Note	2015 USD'000	2014 USD'000
Cash flows from operating activities			
Net loss		**(1,085)**	(1,493)
Adjustments for			
- Income tax	10	**149**	272
- Amortisation, depreciation and impairment		**215**	265
- Net gain on disposal of available-for-sale financial assets	6	**(199)**	(96)
- Interest income	6	**(117)**	(2)
- Interest expense	8	**198**	222
- Provision for retirement benefits	7	**160**	206
- Share of results of associated companies	18	**(305)**	(775)
- Impairment loss on available-for-sale financial assets	20	**–**	302
- Reversal of impairment loss on other receivables	6	**–**	(810)
- Gain on disposal of property, plant and equipment	6	**(11)**	(1)
- Gain on disposal of associated company	6	**(750)**	–
- Currency translation differences		**490**	(513)
		(1,255)	(2,423)
Changes in working capital			
- Trade and other receivables		**(272)**	1,352
- Inventories		**(17)**	–
- Trade and other payables		**(863)**	702
Cash used in operations		**(2,407)**	(369)
Interest received		**117**	2
Income tax paid		**(50)**	–
Net cash used in operating activities		**(2,340)**	(367)
Cash flows from investing activities			
Additions of intangible assets	17	**(6)**	–
Additions to property, plant and equipment, net of government grant funds		**(101)**	(21)
Purchase of available-for-sale financial assets	20	**(2,501)**	(856)
Additions to an associated company	18	**–**	(684)
Acquisition of a subsidiary, net of cash acquired	37	**(18)**	–
Acquisition of land development right	23	**(57)**	(741)
Proceeds from disposal of available-for-sale financial assets		**3,091**	1,386
Proceeds from disposal of property, plant and equipment		**3**	2
Proceeds from disposal of associated company		**2,130**	–
Payments for retirement benefits	27	**(119)**	(392)
Repayment of loans by staff and third parties		**87**	574
Proceeds from disposal of subsidiary corporation without loss of control	19(a)	**1,547**	–
Net cash provided by/(used in) investing activities		**4,056**	(732)
Cash flows from financing activities			
Proceeds from issuance of shares	29	**15,578**	5,187
Share issuance expenses	29	**(97)**	(301)
Repayment of borrowings		**(291)**	(456)
Interest paid		**(198)**	(233)
Net cash provided by financing activities		**14,992**	4,197
Net increase in cash and cash equivalents		**16,708**	3,098
Cash and cash equivalents			
Cash and cash equivalents at the beginning of financial year		**4,541**	1,303
Effects of currency translation on cash and cash equivalents		**(1,375)**	140
End of financial year	12	**19,874**	4,541

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Edition Ltd. (the "Company") is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST) and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road #02-00 Singapore 068898. The place of business is 78 Gilstead Road Singapore 309116.

The principal activity of the Company is that of investment holding and management consultants. The principal activities of the subsidiary corporations are described in Note 41 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 108 Operating segments

The Group has adopted the above amendment to FRS 108 on 1 January 2015. The amendment is applicable for annual periods beginning on or after 1 July 2014. It sets out the required disclosures on the judgements made by management in aggregating operating segments. This includes description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to entity's assets when segment assets are reported.

The Group has included the additional required disclosures in Note 35 of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

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 and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services - software solutions

Revenue from short-term development of software solutions for mobile telecommunication is recognised when services are rendered to customers which are taken to be the point in time when the customers have accepted the service.

(b) Sale of goods

Revenue from the sale of goods is recognised when the Group has delivered the goods to the customers, the customers have accepted the goods and collectability of the related receivables is reasonably assured.

(c) Royalty income

Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreements.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

(f) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.3 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.3 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interests in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

When the group's share of the fair value of the identifiable net assets of the associated company exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associated companies.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.3 Group accounting (cont'd)

(c) Associated companies (cont'd)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equal the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses. Buildings are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Property that is constructed or developed for the use as office premises is classified as building in property, plant and equipment.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

(a) *Measurement (cont'd)*

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.7 on borrowing costs).

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the diminishing balance method (Building: straight-line method) to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Building	30 years
Vehicles	4 years
Office equipment, furniture and fixtures	4 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains and losses".

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.5 Investment properties

Investment properties are commercial real estate properties that are held for the primary purpose of producing rental income and are not held for resale in the ordinary course of business.

Investment properties are initially recognised at cost plus direct attributable cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Building	30 years

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses on or after 1 January 2010 represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable assets acquired.

Goodwill on acquisition of subsidiary corporations and businesses prior to 1 January 2010 and on acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary corporations and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.6 Intangible assets (cont'd)

(b) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the assets under construction. This includes those costs on borrowings acquired specifically for the asset under construction, as well as those in relation to general borrowings used to finance the assets under construction.

2.8 Investments in subsidiary corporations and associated companies

Investments in subsidiary corporations and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Land development rights

Land development rights are stated at cost less accumulated impairment losses in the balance sheet. The inventory of land development rights unsold at the end of each financial year is carried forward in the balance sheet at the lower of cost and net realisable value. Land development rights are presented as non-current assets, except for those to be sold or developed within 12 months after the balance sheet date which are presented as current assets.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.10 Impairment of non-financial assets (cont'd)

(a) Goodwill (cont'd)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Land development right
Investments in subsidiary corporations and associated companies

Intangible assets, property, plant and equipment, land development right and investments in subsidiary corporations and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) 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 are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" (Note 13) and "Cash and cash equivalents" (Note 12) on the balance sheet.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Financial guarantees

The Group has issued corporate guarantees to a bank for borrowings of a project for construction of office premises. These guarantees are financial guarantees as they require the Group to reimburse the banks if the other participants of the project fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Leases

When the Group is the lessee - Operating leases

The Group leases certain office premises under operating leases from non-related parties. Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.17 Leases (cont'd)

When the Group is the lessor - Operating leases

The Group leases certain office premises under operating leases to non-related parties. Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.19 Income taxes

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 balance sheet date.

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 nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated companies, 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.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) *Defined contribution plans*

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of services and compensation.

(ii) *Retirement benefits*

Employees and directors of the Group with more than one year of service are entitled to receive a lump-sum payment upon termination of their employment depending on their length of service and rate of pay at the time of termination, regardless of the reason for termination. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit cost method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rate of high-quality corporate bonds and government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised directly in other comprehensive income in the period in which they occur.

Past service costs are recognised immediately in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.22 Government grants

The Group recognises government grants which are to be repaid, as liabilities. The government grants which are to be used for the acquisition of certain assets are deducted from the cost of the acquired assets and credited in profit or loss on the diminishing balance basis over the expected lives of the related assets.

Government grants contributed to compensate for specific expenses are to offset against the related expenses. Other government grant, for which the use or purpose is not specific, are recorded as gains from assets contributed and are recognised in profit or loss in current year.

2.23 Currency translation

(a) *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 functional currency of the Company is the Singapore Dollar ("SGD"). The presentation currency of the Company and the Group is the United States Dollar ("USD") as it provides a better understanding of the Group's operations, which are based in various jurisdictions with USD a currency that can better reflects Company's underlying transactions.

(b) *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 exchange 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 balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "Other gains and losses".

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.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.23 Currency translation (cont'd)

(c) Translation of Group entities' financial statements

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 exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the 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 currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions, which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Club memberships

Entrance fees for transferable corporate memberships in clubs that are intended to be held for long term are stated at cost less allowance for impairment in value based on a review at the balance sheet date. An allowance for impairment is made where, in the opinion of the directors, there is a decline other than temporary in the value of the club memberships; such reduction being determined and made for each club memberships individually. Where there has been a decline other than temporary in the value of the club membership, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of club membership, the difference between disposal proceeds and carrying amount is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2015

2. Significant accounting policies (cont'd)

2.27 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

Retirement benefits

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenure approximating the tenure of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

The Group determines the present value of the funded obligation and the fair value of the plan assets together with the adjustments for unrecognised actuarial gains or losses and past service costs in accordance with the valuation report of an independent actuarial valuer, Korean Actuary in Industrial Bank of Korea (Note 27).

If the discount rate used differs by 1% from management's estimates, the carrying amount of retirement benefits will be an estimated USD33,000 lower or USD28,000 higher.

Notes to the Financial Statements

For the financial year ended 31 December 2015

3. Critical accounting estimates, assumptions and judgements (cont'd)

3.2 Critical judgements in applying the entity's accounting policies

Impairment of available-for-sale financial assets

The Group classifies quoted investment securities as available-for-sale financial assets and recognises changes in their fair value in other comprehensive income. When the fair value declines, management exercises judgement based on the observable data relating to the possible events that may have caused the decline in value to determine whether the decline in value is an impairment that should be recognised in the statement of comprehensive income.

If the fair value had been 10% less favorable than management's estimates at the balance sheet date, the carrying amounts of the assets would need to be reduced by USD375,000 (2014: USD210,000).

Estimated impairment for goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. The recoverable amounts of goodwill and where applicable, CGU have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 17).

If the management's estimated discount rate applied to the discounted cash flows for this CGU had been raised by 1%, the value-in-use calculation at 31 December 2015 would have decreased by USD8,000. The decrease in the value-in-use would have no impact to the carrying amount of goodwill amounting to USD81,000.

4. Going concern assumption

The Group has negative operating cash flows of USD2,340,000 (2014: USD367,000) and incurred a net loss of USD1,085,000 (2014: USD1,493,000) for the financial year ended on that date. These conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as going concerns.

Notwithstanding these conditions, the financial statements are prepared on a going concern basis as the Group has the ability to generate sufficient cash from its operation to meet its obligation as and when they fall due.

5. Revenue

	Group	
	2015	2014
	USD'000	USD'000
Rendering of services – software solutions	**1,393**	1,810
Rental income on operating lease	**255**	215
Sales of goods	**12**	–
	1,660	2,025

Notes to the Financial Statements

For the financial year ended 31 December 2015

6. Other gains and losses

	Group	
	2015	2014
	USD'000	USD'000
Gain on disposal of available-for-sale financial assets	**199**	96
Gain on disposal of property, plant and equipment	**11**	1
Gain on disposal of investment in associated company	**750**	–
Interest income		
- Bank deposits	**117**	2
Reversal of impairment loss of other receivables	**–**	810
Impairment loss on available-for-sale financial assets	**–**	(302)
Other	**105**	128
	1,182	735

7. Employee compensation

	Group	
	2015	2014
	USD'000	USD'000
Salaries, wages and bonus	**2,075**	2,149
Employer's contribution to defined contribution plans	**192**	226
Retirement benefit costs on defined benefit plans (Note 27)	**160**	206
Other short-term benefits	**1**	2
	2,428	2,583

8. Finance expenses

	Group	
	2015	2014
	USD'000	USD'000
Interest expense - bank borrowings	**198**	222

Notes to the Financial Statements

For the financial year ended 31 December 2015

9. Expenses

	Group 2015 USD'000	Group 2014 USD'000
Allowance for impairment of trade receivables (Note 34 (b)(ii))	**19**	15
Fees on audit services paid/payable to		
- Auditor of the Company	**47**	46
- Other auditor	**31**	33
Fees on non-audit services paid/payable to		
- Auditor of the Company	**2**	3
Commission	**72**	–
Communication	**19**	35
Entertainment	**72**	52
Currency translation loss – net	**28**	37
Repair and maintenance	**–**	43
Travelling	**59**	26
Independent directors' fee	**79**	85
Corporate management fee	**69**	31
Upkeep of motor vehicles	**–**	44

10. Income taxes

(a) Income tax expense

	Group 2015 USD'000	Group 2014 USD'000
Tax expense attributable to results is made up of:		
- Current income tax expense	**50**	–
- Deferred income tax expense (Note 24)	**99**	272
	149	272

Notes to the Financial Statements

For the financial year ended 31 December 2015

10. Income taxes (cont'd)

(a) Income tax expense (cont'd)

The tax expense on Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2015	2014
	USD'000	USD'000
Loss before income tax	**(936)**	(1,221)
Share of profit of associated companies, net of tax	**(305)**	(775)
Loss before income tax and share of results of associated companies	**(1,241)**	(1,996)
Tax calculated at tax rate of 17% (2014: 17%)	**(211)**	(339)
Effects of:		
- effect of different tax rate in different countries	**73**	(26)
- expenses not deductible for tax purposes	**187**	215
- income not subject to tax	**(55)**	–
- deferred tax assets not recognised	**226**	–
- other	**(71)**	422
	149	272

(b) The tax charge/(credit) relating to each component of other comprehensive income is as follows:

	Before tax USD'000	**Tax charge USD'000**	**After tax USD'000**
Group			
2015			
Fair value gains and reclassification adjustments on available-for-sale financial assets	**450**	**(110)**	**340**
Actuarial losses	**(117)**	**–**	**(117)**
Currency translation differences arising from consolidation	**(1,934)**	**–**	**(1,934)**
Share of other comprehensive income/(losses) of associated company	**(60)**	**–**	**(60)**
Other comprehensive income/(losses)	**(1,661)**	**(110)**	**(1,771)**
2014			
Fair value gains and reclassification adjustments on available-for-sale financial assets	135	(33)	102
Actuarial losses	(87)	–	(87)
Currency translation differences arising from consolidation	(485)	–	(485)
Share of other comprehensive income/(losses) of associated company	13	–	13
Other comprehensive income/(losses)	(424)	(33)	(457)

Notes to the Financial Statements

For the financial year ended 31 December 2015

11. Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	2014
Net loss attributable to equity holders of the Company (USD'000)	**(1,191)**	(1,493)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**1,405,583**	253,422
Basic loss per share (USD cents)	**(0.08)**	(0.59)

The Company has one category of dilutive potential ordinary shares: call option to the Company ordinary shares. The basic and diluted loss per share were the same as the outstanding call option are anti-dilutive.

12. Cash and cash equivalents

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Short term bank deposits	**12,794**	–	**12,794**	–
Cash at bank and on hand	**7,080**	4,541	**6,169**	2,746
	19,874	4,541	**18,963**	2,746

Notes to the Financial Statements

For the financial year ended 31 December 2015

13. Trade and other receivables

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Trade receivables				
- Non-related parties	**387**	283	**–**	–
Less: Allowance for impairment of trade receivables (Note 34 (b)(ii))	**(60)**	(51)	**–**	–
Trade receivables – net	**327**	232	**–**	–
Other receivables				
- Subsidiary corporation	**–**	–	**2,260**	605
- Non-related parties	**3**	266	**–**	–
Less: Allowance for impairment of other receivables (Note 34 (b)(ii))	**–**	(86)	**–**	–
Other receivables – net	**3**	180	**2,260**	605
Prepayments	**3**	15	**–**	–
Deposits				
- Non-refundable	**200**	–	**–**	–
- Refundable	**64**	–	**1**	–
Accrued interest receivable	**–**	–	**61**	6
	597	427	**2,322**	611

The amount due from subsidiary corporation is unsecured, bearing interest at a range from 0% to 6% (2014: 6%) per annum and is repayable on demand.

14. Inventories

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Trading goods	**17**	–	**–**	–

The cost of inventories recognised as an expense and included in "change in inventories" amounting to USD21,000 (2014: Nil).

Notes to the Financial Statements

For the financial year ended 31 December 2015

15. Investment properties

	Group	
	2015	2014
	USD'000	USD'000
Beginning of financial year	**4,269**	4,436
Currency translation differences	**(284)**	(167)
End of financial year	**3,985**	4,269
Accumulated depreciation		
Beginning of financial year	**118**	9
Currency translation differences	**(12)**	(5)
Charge for the year	**105**	114
End of financial year	**211**	118
Net book value		
End of financial year	**3,774**	4,151

Investment properties with carrying amount of USD3,774,000 (2014: USD4,151,000) have been pledged as collateral in relation to long-term borrowings (Note 26).

Investment properties are leased to non-related parties under operating lease (Note 32(c)).

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	**Description/existing use**	**Tenure**
PDCC Building C-Dong 3F & 4F, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea,463-400	Office building	Freehold

The fair value of the investment properties at balance sheet date is estimated by management with reference to valuation done by independent professional valuer in the previous period.

The following amounts are recognised in profit and loss:

	Group	
	2015	2014
	USD'000	USD'000
Rental income (Note 5)	**255**	215
Direct operating expense	**–**	43

Notes to the Financial Statements

For the financial year ended 31 December 2015

15. Investment properties (cont'd)

Fair value hierarchy

	Fair value measurements using		
Description	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	USD'000	**USD'000**	**USD'000**
31 December 2015			
Recurring fair value measurements			
Investment properties:			
- Office building - Korea	**–**	**5,614**	**–**
31 December 2014			
Recurring fair value measurements			
Investment properties:			
- Office building - Korea	**–**	**6,013**	**–**

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach, which is based on its highest and best use. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

Valuation processes of the Group

The fair value of the investment properties as at 31 December 2015 was estimated by management. The property was last valued in 2014 by an external independent and qualified valuers, Daeil Appraisal Board Korea.

Notes to the Financial Statements

For the financial year ended 31 December 2015

16. Property, plant and equipment

	Freehold land	Building	Vehicles	Office equipment, furniture and fixtures	Assets under construction	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Group						
2015						
Cost						
Beginning of financial year	438	1,413	45	1,326	–	3,222
Currency translation differences	(29)	(98)	(2)	(92)	–	(221)
Additions	–	53	–	45	11	109
Disposal	–	–	(10)	(2)	–	(12)
End of financial year	409	1,368	33	1,277	11	3,098
Accumulated depreciation						
Beginning of financial year	–	51	42	1,269	–	1,362
Currency translation differences	–	(5)	(1)	(86)	–	(92)
Depreciation charge	–	54	1	34	–	89
Disposal	–	–	(9)	(1)	–	(10)
End of financial year	–	100	33	1,216	–	1,349
Net book value						
End of financial year	**409**	**1,268**	**–**	**61**	**11**	**1,749**

Government grant amortised during the financial year amounting to USD10,000 (2014: USD30,000) was offset against depreciation expenses of office equipment, furniture and fixtures.

Land and building with carrying amount of USD1,637,000 (2014: USD1,800,000) have been pledged as collateral in relation to long-term borrowings (Note 26).

Notes to the Financial Statements

For the financial year ended 31 December 2015

16. Property, plant and equipment (cont'd)

	Freehold land	Building	Vehicles	Office equipment, furniture and fixtures	Assets under Construction	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Group						
2014						
Cost						
Beginning of financial year	455	1,469	47	1,344	–	3,315
Currency translation differences	(17)	(56)	(2)	(38)	–	(113)
Additions	–	–	–	21	–	21
Disposal	–	–	–	(1)	–	(1)
End of financial year	438	1,413	45	1,326	–	3,222
Accumulated depreciation						
Beginning of financial year	–	4	47	1,243	–	1,294
Currency translation differences	–	(2)	(9)	(29)	–	(40)
Depreciation charge	–	49	4	55	–	108
End of financial year	–	51	42	1,269	–	1,362
Net book value						
End of financial year	**438**	**1,362**	**3**	**57**	**–**	**1,860**

	2015	2014
	USD'000	USD'000
Company		
Office equipment, furniture and fixtures		
Cost		
Beginning of financial year	5	–
Additions	4	5
End of financial year	9	5
Beginning of financial year	–	–
Depreciation charge	2	–
End of financial year	2	–
Net book value		
End of financial year	**7**	5

Notes to the Financial Statements

For the financial year ended 31 December 2015

17. Intangible assets

	Software USD'000	Goodwill USD'000	Patent USD'000	Total USD'000
Group				
2015				
Cost				
Beginning of financial year	240	523	51	814
Additions	6	81	–	87
Currency translation differences	(10)	–	(3)	(13)
End of financial year	236	604	48	888
Accumulated amortisation and impairment				
Beginning of financial year	240	523	50	813
Amortisation	–	–	1	1
Impairment	1	–	–	1
Currency translation differences	(10)	–	(3)	(13)
End of financial year	231	523	48	802
Net carrying value				
End of financial year	**5**	**81**	**–**	**86**

	Software USD'000	Goodwill USD'000	Patent USD'000	Total USD'000
Group				
2014				
Cost				
Beginning of financial year	249	523	53	825
Currency translation differences	(9)	–	(2)	(11)
End of financial year	240	523	51	814
Accumulated amortisation and impairment				
Beginning of financial year	249	523	24	796
Amortisation	–	–	5	5
Impairment	–	–	23	23
Currency translation differences	(9)	–	(2)	(11)
End of financial year	240	523	50	813
Net book value				
End of financial year	**–**	**–**	**1**	**1**

Notes to the Financial Statements

For the financial year ended 31 December 2015

17. Intangible assets (cont'd)

	Software USD'000	Total USD'000
Company		
2015		
Cost		
Beginning of financial year	–	–
Additions	6	6
End of financial year	6	6
Accumulated amortisation and impairment		
Beginning of financial year	–	–
Amortisation	1	1
End of financial year	1	1
Net book value		
End of financial year	**5**	**5**

	Software USD'000	Total USD'000
Company		
2014		
Cost		
Beginning and end of financial year	–	–
Accumulated amortisation and impairment		
Beginning and end of financial year	–	–
Net carrying value		
End of financial year	**–**	**–**

Goodwill

	2015 USD'000	2014 USD'000
Group		
Cost:		
- Goodwill on acquisition of Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd)	**523**	523
- Goodwill on acquisition of MEOD Pte. Ltd.	**81**	–
	604	523
Accumulated impairment:		
- Goodwill on acquisition of Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd)	**(523)**	(523)
- Goodwill on acquisition of MEOD Pte. Ltd.	**–**	–
Carrying value	**81**	–

Notes to the Financial Statements

For the financial year ended 31 December 2015

17. Intangible assets (cont'd)

Goodwill (cont'd)

Goodwill on acquisition of the subsidiary corporation - Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd) ("Mobion")

The goodwill which relates to Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd) mobile gaming business was fully impaired as Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd) has discontinued its gaming business during the financial year 2006.

Goodwill on acquisition of the subsidiary corporation – MEOD Pte. Ltd. ("MEOD")

The goodwill of USD81,000 arising from the acquisition is attributable to the technologies and commercial viability of the production of agricultural products as well as distribution network in MEOD. The acquisition also marked the first strategic entry to agricultural business, which has been identified as one of the core business focuses by the Group.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

	Agriculture		**Total**	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Singapore	**81**	–	**81**	–

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a three-year period.

Key assumptions used for value-in-use calculations:

	Agriculture
2015	Singapore
Gross margin	35%
Growth rate	Not applicable*
Discount rate	10%

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on projected performance and its expectations of market developments. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

* As this is a new business venture, growth rate assumption is not applicable.

Notes to the Financial Statements

For the financial year ended 31 December 2015

18. Investments in associated companies

	Group	
	2015	2014
	USD'000	USD'000
Beginning of financial year	**3,440**	2,064
Additions	**–**	684
Disposals	**(1,348)**	–
Share of profits/(losses)	**305**	775
Share of movement in fair value reserve	**(60)**	13
Reclassification to available-for-sale financial assets	**(2,149)**	–
Currency translation differences	**(188)**	(96)
End of financial year	**–**	3,440

The Group's effective shareholding in T.S. Investment Corp ("TSI"), has reduced from 33.09% to 10.03% as at 31 December 2015 subsequent to a series of disposals during the year. Accordingly, the Group does not exercise any significant influence in TSI and reclassified this investment as available-for-sale financial asset. There are no contingent liabilities relating to the Group's interest in the associated companies.

On 13 October 2015, investment in TSI was reclassified to investment in available-for-sale financial asset at fair value of USD2,148,751 based on the last transacted selling price of the investment. Losses of USD173,380 arising from the reclassification has been included in other comprehensive income.

Share of profits of the investment in TSI for period from 1 January 2015 to 13 October 2015 amounting to USD305,000 was recognised in profit or loss as the share of profit of the investment in an associated company.

Details of the associated companies are set out in Note 41.

Notes to the Financial Statements

For the financial year ended 31 December 2015

18. Investments in associated companies (cont'd)

The summarised financial information in respect of T.S. Investment Corp, based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	T.S. Investment Corp.	
	As at 13 October 2015	As at 31 December 2014
	USD'000	USD'000
Current assets	**3,475**	7,401
Non-current assets	**5,820**	3,741
Total assets	**9,295**	11,142
Current liabilities	**(22)**	(123)
Non-current liabilities	**(26)**	(28)
Total liabilities	**(48)**	(151)
Net assets	**9,247**	10,991
Proportion of the Group's ownership	**23.26%**	33.09%
Group's share of net assets	**2,150**	3,637
Other adjustments	**(1)**	(197)
Carrying amount of the investment	**2,149**	3,440
Add:		
Carrying amount of immaterial associated company	**–**	–
Carrying amount of Group's interest in associated companies	**2,149**	3,440

Summarised statement of comprehensive income

	T.S. Investment Corp.	
	As at 13 October 2015	As at 31 December 2014
	USD'000	USD'000
Revenue	**1,526**	2,372
Profit after tax	**644**	2,356
Other comprehensive (loss)/income	**(258)**	36
Total comprehensive income	**386**	2,392

Notes to the Financial Statements

For the financial year ended 31 December 2015

18. Investments in associated companies (cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	T.S. Investment Corp. As at 31 December 2014 USD'000
Net assets at 1 January	10,991
Loss for the year	2,356
Other comprehensive income	36
Currency translation difference	(2,986)
At 31 December	10,397
Interest in associated companies (33.09%)	3,440
Carrying value of Group's interest in associated companies	3,440

19. Investments in subsidiary corporations

	Company	
	2015	2014
	USD'000	USD'000
Equity investments at cost		
Beginning of financial year	**7,267**	6,927
Incorporation of a subsidiary corporation	**–**	340
Additions	**36**	–
Disposal	**(4,802)**	–
End of financial year	**2,501**	7,267

Details of the subsidiary corporations are set out in Note 41.

Carrying value of non-controlling interests

	2015	2014
	USD'000	USD'000
Onion Holding Co., Ltd	**(140)**	–
MEOD Pte. Ltd.	**2,009**	–
	1,869	–

Notes to the Financial Statements

For the financial year ended 31 December 2015

19. Investments in subsidiary corporations (cont'd)

Set out below are the summarised financial information for the subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	Onion Holdings Co., Ltd.	
	2015	2014
	USD'000	USD'000
Current		
Assets	**663**	1,719
Liabilities	**(127)**	(690)
Total current net assets	**536**	1,029
Non-current		
Assets	**9,768**	12,178
Liabilities	**(5,402)**	(6,078)
Total non-current net assets	**4,366**	6,100
Net assets	**4,902**	7,129

Summarised balance sheet

	MEOD Pte. Ltd.
	2015
	USD'000
Current	
Assets	**307**
Liabilities	**(602)**
Total current net liabilities	**(295)**
Non-current	
Assets	**8**
Liabilities	**–**
Total non-current net assets	**8**
Net liabilities	**(287)**

Notes to the Financial Statements

For the financial year ended 31 December 2015

19. Investments in subsidiary corporations (cont'd)

Summarised income statement

	Onion Holdings Co., Ltd.	
	2015	2014
	USD'000	USD'000
Revenue	**1,649**	2,024
Profit / (Loss) before income tax	**977**	(915)
Income tax expense	**(99)**	(272)
Post-tax profit/ (loss)	**878**	(1,187)
Other comprehensive income	**204**	41
Total comprehensive income/ (loss)	**1,082**	(1,146)
Total comprehensive income allocated to non-controlling interest	**138**	–

	MEOD Pte. Ltd.
	2015
	USD'000
Revenue	**29**
Loss before income tax	**(250)**
Income tax expense	**–**
Post-tax loss	**(250)**
Other comprehensive income	**–**
Total comprehensive loss	**(250)**
Total comprehensive income allocated to non-controlling interest	**–**

Summarised cash flows

	Onion Holdings Co., Ltd.	
	2015	2014
	USD'000	USD'000
Cash flows from operating activities		
Cash (used in)/generated from operations	**(1,209)**	191
Interest paid	**(194)**	(213)
Income tax paid	**1**	(1)
Net cash used in operating activities	**(1,402)**	(23)
Net cash generated from investing activities	**3,699**	399
Net cash used in financing activities	**(3,169)**	(300)
Net (decrease)/increase in cash and cash equivalents	**(872)**	76
Cash and cash equivalents at beginning of year	**1,297**	1,221
Exchange gain on cash and cash equivalents	**(86)**	–
Cash and cash equivalents at end of year	**339**	1,297

Notes to the Financial Statements

For the financial year ended 31 December 2015

19. Investments in subsidiary corporations (cont'd)

Summarised cash flows (cont'd)

	MEOD Pte. Ltd. 2015 USD'000
Cash flows from operating activities	
Cash used in operations	**(617)**
Interest paid	**–**
Income tax paid	**–**
Net cash used in operating activities	**(617)**
Net cash used in investing activities	**(9)**
Net cash used in financing activities	**649**
Net increase in cash and cash equivalents	**23**
Cash and cash equivalents at beginning of year	**2**
Exchange gain on cash and cash equivalents	**–**
Cash and cash equivalents at end of year	**25**

(a) Disposal of interest in a subsidiary corporation without loss of control

On 5 February 2015, the Company disposed 21% interests in its 100%-owned subsidiary, Onion Holdings Co., Ltd ("Onion Holdings") to third parties. On 5 February 2015, 30 September 2015 and 30 December 2015, Onion Holdings acquired its own share from the Company through a series of treasury share acquisition. The Company received a total consideration of USD4,322,000. This resulted in an increase of non-controlling interests to USD1,816,000 and an increase of equity attributable to owners of the Company to USD373,000 for FY2015. The effect of changes in the ownership interest of Onion Holdings Co., Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

	2015 USD'000
Carrying amount of non-controlling interest disposed of	(6,415)
Consideration received from non-controlling interests	1,547
Share reduction in subsidiary corporation	2,775
Currency translation difference	(96)
Excess of consideration received recognised in parent's equity	(2,189)

(b) Effects of transactions with non-controlling interests on the equity attributable to owners of the parent for the year ended 31 December 2015

	31 December 2015 USD'000
Changes in equity attributable to shareholders of the Company arising from disposal of interest in a subsidiary corporation without loss of control	373
Net effect on parent's equity	373

Notes to the Financial Statements

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20. Available-for-sale financial assets

	Group	
	2015	2014
	USD'000	USD'000
Beginning of financial year	**2,100**	2,725
Currency translation differences	**(177)**	(24)
Additions	**2,501**	856
Disposals	**(3,164)**	(1,290)
Impairment losses (Note 6)	**–**	(302)
Reclassification from investments in associated companies	**2,149**	–
Fair value gains recognised in other comprehensive income	**340**	135
End of financial year	**3,749**	2,100

In 2014, the Group recognised an impairment loss of USD302,000 against an unlisted equity security in Korea whose net assets had been below cost for a prolonged period.

Available-for-sale financial assets are analysed as follows:

	Group	
	2015	2014
	USD'000	USD'000
Listed securities		
- equity securities – Korea	**1,902**	1,920
Unlisted securities		
- equity securities – Korea	**1,847**	180
Total	**3,749**	2,100

The unquoted equity securities was measured at cost less impairment losses as the investment does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate.

21. Transferable club memberships

	Group	
	2015	2014
	USD'000	USD'000
Club memberships – at cost	**220**	220
Less:Accumulated impairment loss	**(151)**	(151)
Currency translation differences	**(7)**	(3)
	62	66

Notes to the Financial Statements

For the financial year ended 31 December 2015

22. Other receivables – non-current

	Group	
	2015	2014
	USD'000	USD'000
Staff loans (Note a)	**59**	16
Deposits (Note b)	**13**	17
	72	33

(a) Staff loans

Loans are made under an approved staff loan scheme. The staff loans are unsecured, bearing interest at 3% (2014: 3%) per annum and are repayable between two and five years.

At the balance sheet date, the fair values of staff loans, denominated in Korean Won are determined using discounted cash flow method. The staff loans are classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is discount rate, which is 2.86% (2014: 2.54%).

(b) Deposits

At the balance sheet date, the fair values of deposits, denominated in Korean Won are determined using discounted cash flow method. The deposits are classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is discount rate, which is 2.86% (2014: 2.54%).

23. Land development rights

	Group	
	2015	2014
	USD'000	USD'000
Beginning of financial year	**741**	–
Additions	**57**	741
Currency translation differences	**(142)**	–
End of financial year	**656**	741

On 27 October 2014, the Group acquired the land development rights of a piece of vacant land from an unrelated and independent third party measuring 1.3 acres located at Kota Bharu, Kelantan, Malaysia.

Additions in 2015 refer to professional fees and submission fees incurred in relation to regulatory compliances for the development.

Notes to the Financial Statements

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24. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Movement in the deferred income tax account is as follows:

	Group	
	2015	2014
	USD'000	USD'000
Beginning of financial year	**–**	303
Currency translation differences	**–**	2
Tax (charged)/credited to		
- profit or loss (Note 10)	**(99)**	(272)
- equity	**99**	(33)
End of financial year	**–**	–

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Severance insurance deposit USD'000	**Other USD'000**	**Total USD'000**
2015			
Beginning of financial year	**117**	**18**	**135**
Currency translation differences	**(3)**	**(1)**	**(4)**
Credited to profit or loss	**(114)**	**(6)**	**(120)**
End of financial year	**–**	**11**	**11**
2014			
Beginning of financial year	125	10	135
Currency translation differences	(5)	–	(5)
Credited to profit or loss	(3)	8	5
End of financial year	117	18	135

Notes to the Financial Statements

For the financial year ended 31 December 2015

24. Deferred income taxes (cont'd)

Deferred income tax assets

	Accrued severance benefits USD'000	Unrealised losses of investments USD'000	Other USD'000	Total USD'000
2015				
Beginning of financial year	**238**	**(103)**	**–**	**135**
Currency translation differences	**(8)**	**4**	**–**	**(4)**
Charged to profit or loss	**(230)**	**–**	**11**	**(219)**
Credited to equity	**–**	**99**	**–**	**99**
End of financial year	**–**	**–**	**11**	**11**
2014				
Beginning of financial year	266	(75)	247	438
Currency translation differences	(9)	5	1	(3)
Charged to profit or loss	(19)	–	(248)	(267)
Charged to equity	–	(33)	–	(33)
End of financial year	238	(103)	–	135

As at 31 December 2015 and 2014, no deferred tax has been recognised for withholding taxes that would be payable on unremitted earnings that are subject to withholding taxes of the Group's subsidiary corporations established in the Korea as the Group is in a position to control the timing of the remittance of earning and it is not probable that these subsidiary corporations will distribute such earnings in the foreseeable future. Currently, the subsidiary corporations in Korea are in accumulated losses position.

As at 31 December 2015, certain subsidiary corporations of the Group have potential tax benefits of approximately USD904,000 (2014: Nil) arising from unutilised tax losses and other temporary differences, which are available for set-off against future taxable profits. These tax losses have not been recognised due to uncertainty of the sufficiency of future taxable profits to be generated for these subsidiary corporations in the foreseeable future.

The use of these potential tax benefits is subject to the agreement of the tax authorities and compliance with certain provision of the tax legislation of the respective countries in which the subsidiary corporations operate. The tax benefits have no expiry date.

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25. Trade and other payables

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Current				
Trade payables to non-related parties	**13**	252	**–**	–
Accrued operating expenses	**364**	788	**–**	–
Other payables:				
- non-related parties	**14**	73	**233**	278
- other related parties	**–**	–	**–**	63
- subsidiary corporation	**–**	–	**–**	10
	391	1,113	**233**	351
Non-current				
Rental deposits	**174**	216	**–**	–
Total trade and other payables	**565**	1,329	**233**	351

The amount due to other related parties and subsidiary corporation are unsecured, interest-free and repayable on demand.

At the balance sheet date, the fair values of rental deposits, denominated in Korean Won are determined using discounted cash flow method. The rental deposits are classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is discount rate, which is 2.86% (2014: 2.54%).

26. Borrowings

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Current				
Bank borrowings	**–**	–	**–**	–
Loan from subsidiary corporation	**–**	–	**–**	174
	–	–	**–**	174
Non-current				
Bank borrowings	**4,690**	5,061	**–**	–
Loan from subsidiary corporation	**–**	–	**–**	365
	4,690	5,061	**–**	365
Total borrowings	**4,690**	5,061	**–**	539

The loan from subsidiary corporation amounting to USD174,000 is unsecured, bears interest rate of 4% (2014: 4%) and repayable within one year. Loan from subsidiary corporation amounting to USD365,000 is unsecured, bears interest rate of 4% (2014: 4%) and repayable between one to two years.

Notes to the Financial Statements

For the financial year ended 31 December 2015

26. Borrowings (cont'd)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date is follows:

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
6 months or less	**–**	–	**–**	–
6 - 12 months	**–**	–	**–**	174
1 - 5 years	**4,690**	5,061	**–**	365
	4,690	5,061	**–**	539

(a) Security granted

Bank borrowings of the Group are secured by land, building and investment property with a carrying amount of USD5,411,000 (2014: USD5,951,000) (Note 15 and 16) and corporate guarantee from a subsidiary corporation of the Company.

(b) Fair value of non-current borrowings

At balance sheet date, the fair values of the Group's borrowings, denominated in Korean Won, approximate their carrying amounts.

The fair values are determined from the cash flow analyses, discounted at market borrowing rate of an equivalent instrument of 3.15% (2014: 4.14%) per annum at the balance sheet date which the directors expect to be available to the Group.

The fair values are within level 2 of the fair value hierarchy.

27. Retirement benefits

	Group	
	2015	2014
	USD'000	USD'000
Balance sheet obligations for:		
Retirement benefits	**168**	431
Profit or loss charged for:		
Retirement benefits (Note 7)	**160**	206

Notes to the Financial Statements

For the financial year ended 31 December 2015

27. Retirement benefits (cont'd)

The amounts recognised in the balance sheet are determined as follows:

	Group	
	2015	2014
	USD'000	USD'000
Present value of funded obligations	**288**	966
Fair value of plan assets	**(120)**	(535)
	168	431

The movement in the defined benefit obligation is as follows:

	Present value of obligation USD'000	**Fair value of plan assets USD'000**	**Total USD'000**
At 1 January 2015	966	(535)	**431**
Current service cost	150	–	**150**
Interest cost	23	13	**36**
	173	13	**186**
Remeasurements:			
Return on plan assets, excluding amounts included in interest income	–	(13)	**(13)**
Gain from change in financial assumptions	105	–	**105**
	105	(13)	**92**
Exchange differences	(43)	23	**(20)**
Contributions:			
- Employers	–	(119)	**(119)**
Payments from plans:			
- Benefit payments	(913)	511	**(402)**
At 31 December 2015	**288**	**(120)**	**168**

Notes to the Financial Statements

For the financial year ended 31 December 2015

27. Retirement benefits (cont'd)

	Present value of obligation USD'000	Fair value of plan assets USD'000	Total USD'000
At 1 January 2014	1,123	(569)	**554**
Current service cost	188	–	**188**
Interest cost	43	(25)	**18**
	231	(25)	**206**
Remeasurements:			
Return on plan assets, excluding amounts included in interest income	–	11	**11**
Gain from change in financial assumptions	83	–	**83**
Experience losses	(7)	–	**(7)**
	76	11	**87**
Exchange differences	(47)	23	**(24)**
Contributions:			
- Employers	(384)	(8)	**(392)**
Payments from plans:			
- Benefit payments	(33)	33	**–**
At 31 December 2014	**966**	**(535)**	**431**

The defined benefit obligation and plan assets are composed by country as follows:

	Group	
	2015	2014
	Korea	Korea
	USD'000	USD'000
Present value of obligation	**288**	966
Fair value of plan assets	**(120)**	(535)
Total	**168**	431

The Group's retirement benefits were revalued at 31 December 2015 and 2014 by independent actuarial valuers, Korea Actuary in Industrial Bank of Korea and AON Hewitt Korea respectively. These level 3 fair values have been derived using discounted cash flow method. There were no changes to the valuation techniques during the year.

Notes to the Financial Statements

For the financial year ended 31 December 2015

27. Retirement benefits (cont'd)

The significant actuarial assumptions used the independent actuarial valuers were as follows:

	Group	
	2015	2014
	%	%
Discount rate	**2.86**	2.54
Expected return on plan assets	**2.86**	3.00
Future salary increases	**6.46**	5.00

The significant unobservable input used is discount rate. The lower the discount rate, the higher the valuation (Note 3.1).

28. Government grant

The Group entered into a contract with Korea Technology Information & Promotion Agency for SMEs ("TIPA") to produce the contents for Smart Virtual experience service additionally. The contractual performance period is from 1 June 2012 to 31 May 2014. The Company received grant of USD83,000 in 2012, USD170,000 in 2013 and USD110,000 in 2014 respectively, based on the contract with TIPA as a government grant.

The Group also entered into a contract with Ministry of Knowledge Economy ('MKE") to develop the 3D montage technology. The contractual performance period is from 1 June 2012 to 31 May 2014. The Company received grant of USD79,000 in 2012, USD175,000 in 2013 and USD113,000 in 2014 respectively, based on the contract with MKE as a government grant.

29. Share capital and treasury shares

Group and Company

	Number of ordinary shares		Amount	
	Issued share capital	**Treasury shares**	**Share capital**	**Treasury shares**
	'000	**'000**	**USD'000**	**USD'000**
2015				
Beginning of financial year	384,782	(12,374)	17,553	(994)
Shares issued	2,138,516	–	15,578	–
Share issue expenses	–	–	(97)	–
End of financial year	2,523,298	(12,374)	33,034	(994)
2014				
Beginning of financial year	169,782	(12,374)	12,667	(994)
Shares issued	215,000	–	5,187	–
Share issue expenses	–	–	(301)	–
End of financial year	384,782	(12,374)	17,553	(994)

Notes to the Financial Statements

For the financial year ended 31 December 2015

29. Share capital and treasury shares (cont'd)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company had, on 8 July 2015, completed a rights issue in which 2,138,515,740 shares have been allotted and issued, for a total consideration of USD15,578,000 for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Call options

On 21 July 2014, the Company issued 210,000,000 call options to its shareholders for purchase of new ordinary shares of the Company at an exercise price of S$0.03 per share. Each new ordinary share issued and fully paid will rank equally in all respects with the existing issued ordinary shares of the Company. As a results of the allotment and issuance of the Rights Shares in 2015, pursuant to the adjustment of the Separate Placement and Call Option Agreement, the Call Option Shares have been adjusted to 350,755,370 new ordinary shares at an adjusted exercise price of S$0.01796 for each share (the "Adjustment Call Option Shares").

The call options have been classified as equity instrument as they have met the following conditions:

- There is no contractual obligation to deliver cash or any financial assets to the option holders; and

- The call options will be settled under the Company's own equity instrument, which is a derivative which includes no contractual obligation to deliver a variable number for its own equity instrument and will be settled through the exchange of a fixed amount of cash for a fixed number of the Company's equity instruments.

As both conditions have been met, the equity instrument is recognised at cost when exercised.

30. Other reserves

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
(a) Composition:				
Fair value reserve	**569**	432	**–**	–
Currency translation reserve	**(2,389)**	(458)	**(1,712)**	(641)
	(1,820)	(26)	**(1,712)**	(641)

Notes to the Financial Statements

For the financial year ended 31 December 2015

30. Other reserves (cont'd)

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
(b) Movements:				
(i) Fair value reserve				
Beginning of financial year	**432**	317	**–**	–
Financial assets, available-for-sale				
- Fair value losses	**115**	135	**–**	–
- Tax on fair value changes	**57**	(33)	**–**	–
Share of associated company's fair value gains on available-for-sale financial assets, net of tax	**(35)**	13	**–**	–
End of financial year	**569**	432	**–**	–
(ii) Currency translation reserve				
Beginning of financial year	**(458)**	27	**(641)**	–
Net currency translation differences of financial statements of foreign subsidiary corporations and associated companies	**(1,931)**	(485)	**(1,071)**	(641)
End of financial year	**(2,389)**	(458)	**(1,712)**	(641)

Other reserves are non-distributable.

31. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2015	2014
	USD'000	USD'000
Beginning of financial year	**(6,179)**	(5,294)
Net loss	**(584)**	(885)
End of financial year	**(6,763)**	(6,179)

Notes to the Financial Statements

For the financial year ended 31 December 2015

32. Commitments

(a) Capital commitments

(i) Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Property, plant and equipment	**300**	–	**–**	–

(ii) On 17 July 2015, the Group incorporated a new subsidiary, Edition (Shanghai) Investment Management Consulting Co., Ltd., in China. The principal business of the company was that of crowd funding in China.

Based on the Share Incorporation Agreement, registered capital will be USD1,500,000. The registered capital is not required to be paid up immediately and is due within 5 years of the company's date of registration. As at 31 December 2015, the Group has not made any cash injection into the company.

(b) Operating lease commitments – where the Group is a lessee

The Group leases office from non-related party under non-cancellable operating lease agreement with certain escalation clause and renewal rights.

The future minimum lease payables under non-cancellable operating lease contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2015	2014
	USD'000	USD'000
Not later than one year	**10**	–
Between one and five years	**–**	–
	10	–

(c) Operating lease commitments – where the Group is a lessor

The Group leases out office building to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2015	2014
	USD'000	USD'000
Not later than one year	**125**	266
Between one and five years	**49**	141
	174	407

Notes to the Financial Statements

For the financial year ended 31 December 2015

33. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Purchases of services

	Group	
	2015	2014
	USD'000	USD'000
Management fees paid to other related party	**69**	31

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

(b) Key management personnel compensation

	Group	
	2015	2014
	USD'000	USD'000
Salaries, wages and bonus	**705**	438
Employer's contribution to defined contribution plans	**7**	3
Retirement benefit costs on defined benefit plans	**–**	15
	712	456

The above represents total compensation to all the directors of the Company.

34. Financial risk management

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors sets policies for managing each of these risks and they are summarised below. It is the Group's policy not to trade in derivative contracts.

(a) Market risk

(i) Currency risk

The Group operates mainly in Korea and Singapore. Entities in the Group transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR") and Korean Won ("KRW"). To manage the currency risk, the Group relies on natural hedging as a risk management tool and does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Korea are managed primarily through inter-company borrowings denominated in the relevant foreign currency.

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(a) Market risk

(i) Currency risk

The Group's currency exposure based on the information provided to key management is as follows:

	USD USD'000	SGD USD'000	KRW USD'000	MYR USD'000	Other USD'000	Total USD'000
At 31 December 2015						
Financial assets						
Cash and cash equivalents	18	19,159	296	359	42	19,874
Available-for-sale financial assets	–	–	3,749	–	–	3,749
Trade and other receivables	–	60	398	7	–	465
	18	19,219	4,443	366	42	24,088
Financial liabilities						
Trade and other payables	–	(259)	(301)	(5)	–	(565)
Borrowings	–	–	(4,690)	–	–	(4,690)
Retirement benefits	–	–	(168)	–	–	(168)
	–	(259)	(5,159)	(5)	–	(5,423)
Net financial assets/ (liabilities)	18	18,960	(716)	361	42	18,665
Less: Financial assets/(liabilities) denominated in the respective entities' functional currencies	–	(18,960)	716	(361)	(42)	(18,647)
Net currency exposure	18	–	–	–	–	18

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	USD USD'000	SGD USD'000	KRW USD'000	MYR USD'000	Other USD'000	Total USD'000
<u>At 31 December 2014</u>						
Financial assets						
Cash and cash equivalents	19	3,113	1,297	112	–	4,541
Available-for-sale financial assets	–	–	2,100	–	–	2,100
Trade and other receivables	–	–	445	–	–	445
Inter-company loans to holding company	–	432	107	–	–	539
	19	3,545	3,949	112	–	7,625
Financial liabilities						
Trade and other payables	–	(347)	(976)	(6)	–	(1,329)
Inter-company loans from subsidiary corporation	–	(432)	(107)	–	–	(539)
Borrowings	–	–	(5,061)	–	–	(5,061)
Retirement benefits	–	–	(431)	–	–	(431)
	–	(779)	(6,575)	(6)	–	(7,360)
Net financial assets/ (liabilities)	19	2,766	(2,626)	106	–	265
Less: Financial assets/(liabilities) denominated in the respective entities' functional currencies	–	(2,766)	2,626	(106)	–	(246)
Net currency exposure	19	–	–	–	–	19

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure based on the information provided to key managements is as follows:

	USD USD'000	SGD USD'000	KRW USD'000	Total USD'000
At 31 December 2015				
Financial assets				
Cash and cash equivalents	18	18,945	–	18,963
Trade and other receivables	–	2,322	–	2,322
	18	21,267	–	21,285
Financial liabilities				
Trade and other payables	–	(233)	–	(233)
	–	(233)	–	(233)
Net financial assets/(liabilities)	18	21,034	–	21,052
Less: Financial assets denominated in the functional currency	–	(21,034)	–	(21,034)
Net currency exposure	18	–	–	18
At 31 December 2014				
Financial assets				
Cash and cash equivalents	19	2,727	–	2,746
Trade and other receivables	–	611	–	611
	19	3,338	–	3,357
Financial liabilities				
Trade and other payables	–	(351)	–	(351)
Inter-company loans	–	(432)	(107)	(539)
	–	(783)	(107)	(890)
Net financial assets/(liabilities)	19	2,555	(107)	2,467
Less: Financial assets denominated in the functional currency	–	(2,555)	–	(2,555)
Net currency exposure	19	–	(107)	(88)

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the KRW, MYR and SGD change against the USD by 10%, 23% and 7% respectively (2014: 10%, 7% and 7%), with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2015				2014			
	Increase/(decrease)							
	Group		Company		Group		Company	
	Loss after tax	Equity	Loss after tax	Equity	Loss after tax	Equity	Loss after tax	Equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
- strengthened	**–**	**–**	**1**	**1**	–	–	9	9
- weakened	**–**	**–**	**(1)**	**(1)**	–	–	(9)	(9)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as available-for-sale financial assets. These securities are listed in Korea. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the management.

If prices for equity securities listed in Korea change by 5% (2014: 5%) with all other variables including tax rate being held constant, the effect on loss after tax and other comprehensive income ("OCI") will be:

	2015		2014	
	Increase/(decrease)			
	Loss after tax	OCI	Loss after tax	OCI
	USD'000	USD'000	USD'000	USD'000
Group				
Listed in Korea				
- increased by	–	187	–	105
- decreased by	–	(187)	–	(105)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risks (cont'd)

The Group's policy is to maintain 80-90% of its borrowings in fixed rate instruments. The Group and the Company have no exposure to cash flow interest rate risks as all borrowings are at fixed rate.

The Group's interest rate risk mainly arises from short-term bank deposits and current and non-current borrowings. Borrowings obtained, which are mainly at fixed rates, expose the Group to fair value interest rate risk. The Group does not use derivative financial instruments to hedge its borrowings. The Group's exposure to interest rate risk is controlled and monitored on a regular basis.

The Group's and the Company's financial assets at variable rates on which effective hedges have not been entered into are denominated mainly in KRW. The possible change in the movement in the KRW interest rate with all other variables held constant assessed by management is 0.05% (2014: 0.05%). Management has assessed the impact to loss after tax as being not material.

The table below sets out the Group's exposure to interest rate risks. The financial assets and liabilities of the Group are non-interest bearing except for the bank and cash balances and borrowings as set out in the table below, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates	Fixed rates			
	Less than 6 months USD'000	Less than 6 months USD'000	1 to 5 years USD'000	Non-interest bearings USD'000	Total USD'000
Group					
2015					
Assets					
Cash and cash equivalents	17,011	–	–	2,863	19,874
Available-for-sale financial assets	–	–	–	3,749	3,749
Trade and other receivables	–	–	–	452	452
Non-financial assets	–	–	–	6,561	6,561
	17,011	–	–	13,625	30,636
Liabilities					
Trade and other payables	–	–	–	391	391
Borrowings	–	–	4,690	–	4,690
Retirement benefits	–	–	–	168	168
Non-financial liabilities	–	–	–	174	174
	–	–	4,690	733	5,423

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risks (cont'd)

	Variable rates	**Fixed rates**			
	Less than 6 months USD'000	**Less than 6 months USD'000**	**1 to 5 years USD'000**	**Non-interest bearings USD'000**	**Total USD'000**
Group					
2014					
Assets					
Cash and cash equivalents	–	–	–	4,541	4,541
Available-for-sale financial assets	–	–	–	2,100	2,100
Trade and other receivables	–	–	–	445	445
Non-financial assets	–	–	–	10,274	10,274
	–	–	–	17,360	17,360
Liabilities					
Trade and other payables	–	–	–	1,329	1,329
Borrowings	–	–	5,061	–	5,061
Retirement benefits	–	–	–	431	431
	–	–	5,061	1,760	6,821

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The trade receivables of the Group comprise three debtors (2014: four debtors) that individually represented 10 – 47% of trade receivables. The concentration of credit risk with respect to amounts receivable from customers is limited because the customers making up the debtor balances are reputable in both domestic and international markets.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2015	2014
	USD'000	USD'000
By geographical areas		
Korea	**321**	232
Singapore	**6**	–
	327	232
By types of customers		
- Non-related parties	**327**	232

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2015	2014
	USD'000	USD'000
Past due over 6 months	**66**	121

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired (cont'd)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2015	2014
	USD'000	USD'000
Gross amount	**60**	51
Less: Allowance for impairment	**(60)**	(51)
	–	–
Beginning of financial year	**51**	38
Currency translation difference	**(10)**	(2)
Allowance made (Note 9)	**19**	15
End of financial year (Note 13)	**60**	51

Additional impairment of trade receivables arise mainly from a service contracts rendered to a customer amounting to USD19,000 which has been past due since financial year 31 December 2012. The recoverability is determined to be low because the debtor is in financial difficulties and payments are not forthcoming.

The carrying amount of other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2015	2014
	USD'000	USD'000
Gross amount	**–**	86
Less: Allowance for impairment	**–**	(86)
	–	–
Beginning of financial year	**86**	1,141
Reversal of allowance	**–**	(810)
Allowance written off	**(86)**	–
Currency translation difference	**–**	(245)
End of financial year	**–**	86

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. Due to the dynamic nature of the underlying businesses, the Group's Board of Directors aims at maintaining flexibility in funding by keeping committed credit lines available.

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year USD'000	Between 1 and 2 years USD'000	Between 2 and 5 years USD'000
Group			
At 31 December 2015			
Trade and other payables	**391**	**–**	**–**
Borrowings	**–**	**4,990**	**–**
At 31 December 2014			
Trade and other payables	1,113	216	–
Borrowings	–	5,365	–
Company			
At 31 December 2015			
Trade and other payables	**233**	**–**	**–**
At 31 December 2014			
Trade and other payables	351	–	–
Borrowings	174	387	–

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's strategies, which remained unchanged from 2012, are to maintain gearing ratios within 0% to 50%.

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(d) Capital risk (cont'd)

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Net debt	**(14,619)**	1,849	**(18,730)**	(1,856)
Total equity	**23,344**	10,539	**23,565**	9,739
Total capital	**23,344**	12,388	**23,565**	9,739
Gearing ratio	**N.A.**	14.93%	**N.A.**	N.A.

N.A. – Not applicable

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

(e) Fair value measurement

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 of the fair value hierarchy – quoted prices (unadjusted) in active markets for identical assets or liabilities.

The fair value of financial instruments that are not traded in an active market is based on significant unobservable inputs, and such instruments are classified as Level 3.

The following table presents the assets measured at fair value at 31 December:

	Level 1	**Level 3**	**Total**
	USD'000	**USD'000**	**USD'000**
Group			
Available-for-sale financial assets			
- 2015	1,902	1,847	3,749
- 2014	1,920	180	2,100

Notes to the Financial Statements

For the financial year ended 31 December 2015

34. Financial risk management (cont'd)

(e) Fair value measurement (cont'd)

The following table presents the changes in Level 3 instruments:

	Group	
	2015	2014
	USD'000	USD'000
Available-for-sale financial assets		
Beginning of financial year	**180**	486
Impairment	**–**	(302)
Disposal	**(493)**	–
Reclassification	**2,149**	–
Currency translation differences	**11**	(4)
End of financial year	**1,847**	180

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed as follows:

	Group		Company	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Available-for-sale financial assets	**3,749**	2,100	**–**	–
Loans and receivables	**20,339**	5,525	**21,285**	3,357
Financial liabilities at amortised cost	**5,423**	7,360	**233**	890

Notes to the Financial Statements

For the financial year ended 31 December 2015

35. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources, and assess performance. Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas, namely, Korea and Singapore. From a business segment perspective, management separately considers the software solution which mainly engaged in Korea, investment holding activities and agriculture business in Singapore, as well as property development in Singapore and Malaysia.

Agriculture business, property development have been aggregated into one reportable segment as they share similar economic characteristic at the initial development stage. Together with the investment holding segment, the results of the agricultural and property development operations are included in the "all other segments" column.

The segment information provided to the Board of Directors for the reportable segments are as follows:

	Korea Software solutions	Singapore All other segments	Total
	USD'000	USD'000	USD'000
Group			
Financial year ended 31 December 2015			
Revenue			
- External parties	1,648	12	1,660
Segment results	573	(1,963)	(1,390)
Share of results of associated companies			305
Loss before income tax			(1,085)
Net loss include:			
- Depreciation	(179)	(15)	(194)
- Amortisation	–	(1)	(1)
- Interest income	14	103	117
- Interest expense	(198)	–	(198)
- Income tax	(100)	(49)	(149)
Segment assets	10,431	20,205	30,636
Segment assets include:			
Additions to:			
- Property, plant and equipment	4	94	98
- Land development right	–	57	–
Segment liabilities	5,155	268	5,423

Notes to the Financial Statements

For the financial year ended 31 December 2015

35. Segment information (cont'd)

	Korea Software solutions USD'000	Singapore All other segments USD'000	Total USD'000
Group			
Financial year ended 31 December 2014			
Revenue			
- External party	2,025	–	2,025
Segment results	(920)	(1,076)	(1,996)
Share of results of associated companies			775
Loss before income tax			(1,221)
Net loss include:			
- Depreciation	(227)	–	(227)
- Amortisation	(23)	–	(23)
- Interest income	2	–	2
- Interest expense	(222)	–	(222)
- Income tax	(272)	–	(272)
Segment assets	13,365	3,995	17,360
Segment assets include:			
Investments in associated companies	3,440	–	3,440
Additions to:			
- Property, plant and equipment	16	5	21
- Land development right	–	741	741
Segment liabilities	6,368	453	6,821

(a) Revenue from major services

Revenue from external customers are derived from mainly rendering of services and rental income as disclosed in Note 5.

Notes to the Financial Statements

For the financial year ended 31 December 2015

35. Segment information (cont'd)

(b) Geographical information

	Revenue	
	2015	2014
	USD'000	USD'000
Korea	**1,503**	1,769
Outside Korea	**157**	256
	1,660	2,025

	Non-current assets	
Korea	**9,768**	11,646

Revenue of approximately USD478,000 (2014: USD643,000) are derived from a single external customer from the software solution segment.

36. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is B&L Group Pte. Ltd., incorporated in Singapore.

37. Business combination

On 1 November 2015, the Group subscribed to a 51% equity interest in MEOD Pte. Ltd. ("MEOD"). The principal activity of MEOD is that of agriculture, landscape and gardening projects.

Details of the consideration paid and the assets acquired recognised at the acquisition date, are as follows:

(a) Purchase consideration

	USD'000
Cash paid	37
Consideration transferred for the business	37

(b) Effect on cash flows of the Group

Cash paid (as above)	37
Less: cash and cash equivalents in subsidiary corporation acquired	(19)
Cash outflow on acquisition	18

Notes to the Financial Statements

For the financial year ended 31 December 2015

37. Business combination (cont'd)

(c) Identifiable assets acquired

	At fair value USD'000
Cash and cash equivalents	19
Inventories	37
Trade and other receivables	165
Total assets	221
Trade and other payables	(354)
Total liabilities	(354)
Net assets	(133)
Less: Issuance of new shares	43
Total identifiable net liabilities	**(90)**
Less: Non-controlling interests at fair value	46
Add: Goodwill	81
Consideration transferred for the business	**37**

(d) Acquired receivables

The fair value of trade and other receivables includes trade receivables with a fair value of USD1,800.

(e) Non-controlling interest

The Group has chosen to recognise the 49% non-controlling interest at its fair value of USD46,000. The fair value was estimated based on the identifiable net assets on date of acquisition.

(f) Revenue and profit contribution

The acquired business contributed revenue of USD12,000 and net loss of USD204,000 to the Group from the period from 1 November 2015 to 31 December 2015.

Had MEOD Pte Ltd been consolidated from 1 January 2015, consolidated revenue and consolidated loss for the year ended 31 December 2015 would have been USD1,677,000 and USD1,131,000 respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2015

38. Contingencies

Contingent liabilities - Group

A subsidiary corporation of the Company, Onion Holdings Co., Ltd (f.k.a, Oniontech Co., Ltd) joined the Pangyo Digital Contents Consortium ("PDCC") to build an office premise. The PDCC comprises of 27 companies. The PDCC members have jointly and separately issued corporate guarantees to bank for borrowings to be drawn down for construction purposes. The construction of office premise has been completed in September 2013 and it was allocated to the participants proportionately. The borrowings relating to this building is also allocated to Onion Holdings Co., Ltd. (f.k.a Oniontech Co., Ltd) proportionately. The allocated portion of office premises was registered as the Group's investment property in December 2013.

However, the disposal of land and building is prohibited for 10 years from September 2013 in accordance with land purchase agreement with local government.

39. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016 or later periods and which the Group has not early adopted:

- FRS 114 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 1: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 27: Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 105: Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 107: Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2016)
- Amendment to FRS 19: Employee Benefits (effective for annual periods beginning on or after 1 January 2016)

Notes to the Financial Statements

For the financial year ended 31 December 2015

39. New or revised accounting standards and interpretations (cont'd)

- Amendment to FRS 34: Interim Financial Reporting (effective for annual periods beginning on or after 1 January 2016)
- FRS 115: Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
- FRS 109: Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
- Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date of the following amendments to FRS had been revised from 1 January 2016 to a date to be determined by Accounting Standards Council ("ASC"))

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

40. Authorisation of financial statements

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Edition Ltd. on 24 March 2016.

41. Listing of significant subsidiary corporations and associated companies in the Group

Name	Country of incorporation/ Place of business	Principal activities	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
			2015 %	2014 %	**2015 %**	2014 %	**2015 %**	2014 %
Onion Holdings Co., Ltd (f.k.a. Oniontech Co., Ltd)[(1)]	Korea	Mobile telecommunication	**57.5**	100	**57.5**	100	**42.5**	–
Edition Development Pte. Ltd.[(2)]	Singapore	Investment holding and project management	**100**	100	**100**	100	**–**	–
Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd)[(1)]	Korea	Mobile game development	**–**	–	**57.5**	100	**42.5**	–
MEOD Pte. Ltd. [(3)]	Singapore	Agricultural and related product	**51**	–	**51**	–	**49**	–
Guangzhou Oniontech Information Technology Limited[(4)]	The People's Republic of China	Ring back tone and mobile game development	**–**	–	**57.5**	100	**42.5**	–

Notes to the Financial Statements

For the financial year ended 31 December 2015

41. Listing of significant subsidiary corporations and associated companies in the Group (cont'd)

Name	Country of incorporation/ Place of business	Principal activities	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
			2015 %	2014 %	**2015 %**	2014 %	**2015 %**	2014 %
Edition Land Pte. Ltd. (2)	Singapore	Property development	**–**	–	**100**	–	**–**	–
Edition Global Pte. Ltd.(2)	Singapore	Investment holding	**–**	–	**100**	100	**–**	–
Edition MY Sdn. Bhd.(3),(5)	Malaysia	Investment holding and project management	**–**	–	**100**	100	**–**	–
Edition (Shanghai) Investment Management Consulting Co., Ltd. (3)	The People's Republic of China	Dormant	**–**	–	**100**	–	**–**	–
Edition Cemerlang Sdn. Bhd.(3)	Malaysia	Property development	**–**	–	**100**	100	**–**	–
Edition Tunjong Sdn. Bhd.(3)	Malaysia	Property development	**–**	–	**100**	100	**–**	–
Guangzhou Ebrain Information Technology Co. Ltd.(4)	The People's Republic of China	Dormant	**–**	–	**21.33**	37.10	**–**	–

(1) Audited by Nexia Samduk, Korea, a member firm of Nexia International

(2) Audited by Nexia TS Public Accounting Corporation, Singapore.

(3) For the purpose of preparing the consolidation financial statements, these financial statements have been audited by Nexia TS Public Accounting Corporation, Singapore.

(4) Not required to be audited under the laws of the country of incorporation

(5) Audited by Lau, Wong & Yeo, Malaysia

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group.

Statistics of Shareholdings

As at 14 March 2016

Number of shares issued excluding treasury shares	:	2,510,923,690
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share
Number/Percentage of treasury shares against total number of issued shares excluding treasury shares	:	12,374,000 (0.41%)

Distribution of Shareholders by Size of Shareholdings as at 14 March 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	3	0.65	44	0.00
100 – 1,000	60	12.96	23,400	0.00
1,001 – 10,000	83	17.93	463,430	0.02
10,001 – 1,000,000	288	62.20	50,080,118	1.99
1,000,001 and above	29	6.26	2,460,356,698	97.99
	463	100.00	2,510,923,690	100.00

* Shareholdings exclusive of 12,374,000 treasury shares

Register of Substantial Shareholders as at 14 March 2016

	Direct Interest		Deemed Interest	
Name	No. of Shares	%(1)	No. of Shares	%(1)
B&L Group Pte. Ltd.	1,815,272,000	72.29	–	–
Kok Lee Kuen	314,694,000	12.53	1,815,272,000(2)	72.29
Ong Boon Chuan	–	–	2,129,966,000(3)	84.82

(1) Based on issued and paid up shares excluding treasury shares of the Company.

(2) Deemed interest by virtue of interest in shares of the Company by B&L Group Pte. Ltd. pursuant to Section 7 of the Companies Act, Cap. 50.

(3) Deemed interest by virtue of interest in shares of the Company by B&L Group Pte. Ltd. and his spouse, Mdm. Kok Lee Kuen pursuant to Section 7 of the Companies Act, Cap. 50.

Statistics of Shareholdings

As at 14 March 2016

Twenty-One Largest Shareholders as at 14 March 2016

No.	Shareholder's Name	No. of Shares	%
1	B&L GROUP PTE LTD	1,815,272,000	72.29
2	KOK LEE KUEN	314,694,000	12.53
3	MAYBANK KIM ENG SECURITIES PTE LTD	111,440,550*	4.44
4	CITIBANK NOMINEES SINGAPORE PTE LTD	65,723,000	2.62
5	LAU SING @ LIEW SING HUN	29,009,000	1.16
6	LEE SUI HEE	24,613,700	0.98
7	O,W&W INVESTMENTS II LIMITED	13,636,350	0.54
8	OCBC SECURITIES PRIVATE LTD	13,141,348	0.52
9	RAMESH S/O PRITAMDAS CHANDIRAMANI	10,060,000	0.40
10	LUO FENG	9,589,500	0.38
11	UOB KAY HIAN PTE LTD	9,300,000	0.37
12	KOK YIN LEONG	6,272,000	0.25
13	PHILLIP SECURITIES PTE LTD	5,902,150	0.24
14	WON DAE RO	5,000,000	0.20
15	ANG BOO HOCK STEPHEN	3,000,000	0.12
16	WONG HAN YEW	2,470,100	0.10
17	HONG LEONG FINANCE NOMINEES PTE LTD	2,355,000	0.09
18	OCBC NOMINEES SINGAPORE PTE LTD	2,284,000	0.09
19	THAM WYE-KIN AYLMER (TAN WEIJIAN, AYLMER)	2,245,000	0.09
20	KHAW THEAN CHYE	2,000,000	0.08
21	TAN CHEE WAN	2,000,000	0.08
	TOTAL	**2,450,007,698***	**97.57**

* Shareholdings exclusive of 12,374,000 treasury shares

Compliance with Rule 723 of the Catalist Rules

Based on the information available to the Company as at 14 March 2016, approximately 11.76% of the Company's issued ordinary shares excluding treasury shares was held by the public and therefore, the Company is in compliance with Rule 723 of the Rules of Catalist of Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Edition Ltd. (the "Company") will be held at 78 Gilstead Road, Singapore 309116 on Tuesday, 26 April 2016 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$116,000 for the financial year ending 31 December 2016, to be paid semi-annually in arrears (2015: S$116,000). **(Resolution 2)**

3. To re-elect Mr Lui Seng Fatt, a Director retiring pursuant to Article 91 of the Company's Constitution and who, being eligible, offers himself for re-election. **(Resolution 3)**

   Mr Lui Seng Fatt, who is an Independent Director, if re-elected as Director of the Company, will remain as the Chairman of Nominating Committee and a Member of the Audit and Remuneration Committees and will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST Catalist Rules**").

4. To re-elect Mr Lim Yit Keong, a Director retiring pursuant to Article 91 of the Company's Constitution and who, being eligible, offers himself for re-election. **(Resolution 4)**

   Mr Lim Yit Keong, who is the Lead Independent Director, if re-elected as Director of the Company, will remain as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees and will be considered independent for the purposes of Rule 704(7) of the SGX-ST Catalist Rules.

5. To re-appoint Messrs Nexia TS Public Accounting Corporation, Public Accountants and Chartered Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolution with or without modifications:-

6. **Authority to allot and issue shares**

   "That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Act**") and the SGX-ST Catalist Rules, approval be and is hereby given to the Directors of the Company at any time to such person and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

Notice of Annual General Meeting

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the Company's total number of issued shares (excluding treasury shares), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares) shall be the Company's total number of issued shares (excluding treasury shares) at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
(see explanatory note) **(Resolution 6)**

7. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

LOW MEI WAN (MS)
LIN MOI HEYANG (MS)
Company Secretaries
11 April 2016

Singapore

Notice of Annual General Meeting

Explanatory Note:

The Resolution 6 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the total number of issued shares (excluding treasury shares) of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company.

For the purpose of Resolution 6, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new share arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting.

   (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 such member.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the Company Share Registrar's office at 80 Robinson Road #11-02, Singapore 068898, not later than forty-eight (48) hours before the time appointed for the Meeting.

PERSONAL DATA PRIVACY
Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General 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.

EDITION LTD.
(Company Registration No. 200411873E)
(Incorporated in the Republic of Singapore)

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PROXY FORM

*I/We ______________________ (Name) ______________________ (NRIC/Passport No.)

of ____ (Address),

being * a member/members of Edition Ltd. (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

or failing *him/them, the Chairman of the Meeting as as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Eleventh Annual General Meeting of the Company to be held at 78 Gilstead Road, Singapore 309116 on Tuesday, 26 April 2016 at 10.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Auditors' Report thereon.		
2.	To approve the Directors' fees of S$116,000 for the financial year ending 31 December 2016, to be paid semi-annually in arrears (2015: S$116,000).		
3.	To re-elect Mr Lui Seng Fatt as a Director of the Company.		
4.	To re-elect Mr Lim Yit Keong as a Director of the Company.		
5.	To re-appoint Nexia TS Public Accounting Corporation, Public Accountants and Chartered Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To authorise Directors to allot and issue shares.		

Dated this __________ day of ______________ 2016

Total No. of Shares Held

____
Signature(s) of Member(s)/Common Seal

** Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Cap. 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   (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 such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50. Relevant intermediary means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a person holding a capital market services licence holder which provides custodial services for securities under the Securities and Future Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

3. A proxy need not be a member of the Company.

4. The Company shall be entitled: (a) to reject any instrument of proxy executed by a Depositor if the Depositor's name does not appear in the Depository register seventy-two (72) hours prior to the commencement of the relevant General Meeting as certified by The Central Depository (Pte) Ltd ("CDP") to the Company; and (b) for the purpose of a poll, to treat an instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register referred to in (a) above, notwithstanding the number of shares actually specified in the relevant instrument of proxy.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar's office at 80 Robinson Road #11-02, Singapore 068898, not less than forty-eight (48) hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its representative or attorney duly authorised.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must, be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.

AFFIX
STAMP

The Share Registrar

EDITION LTD.
80 Robinson Road #11-02
Singapore 068898

Edition Ltd.
ACRA No. 200411873E

Incorporated in the Republic of Singapore
on 16 September 2004

Principal Place of Business
78 Gilstead Road
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