

**RESPONSE TO QUERY REGARDING ANNOUNCEMENT ON
THE PROPOSED INVESTMENT IN HYPERLYNC TECHNOLOGIES LIMITED**

The Board of Directors (the “Board”) of Edition Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) sets out below its responses to the queries from Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the announcement dated 5 June 2018 on the Company’s proposed investment in Hyperlync Technologies Limited (“**Hyperlync**”) (the “**Announcement**”). *Unless otherwise defined, all terms used herein shall bear the same meaning as in the Announcement.*

SGX’s Query 1

What is the reason behind such a structure for their investment in Hyperlync? I.e. 1) 51% shareholding in Hyperlync for the loan, with call option to Mr Harry Fox to receive up to 20% if PBT targets are achieved, and 2) 30% shareholding in Hyperlync as security for the loan but with another call option to Mr Harry Fox to buy back at S\$2m, etc?

Company’s Response

The rationale for such an investment structure in Hyperlync is to safeguard the interests of the Company and its shareholders as the financial performance of Hyperlync shows a net loss in financial year 2016 and 2017. As such, the Company mitigates its business risk by implementing the investment plan in Hyperlync in 3-stages. The 3 stages are as follows:

a. First investment stage

Hyperlync is in the final stage to marketing their products and would require investment funds to run the business operations. Therefore, as part of the acquisition of Hyperlync, the Company extended a bridging loan of S\$1 million to Hyperlync. The 30% Hyperlync shareholding acts as collateral for the S\$1 million bridging loan which the Company has extended to Hyperlync. The Company will proceed to invest in Hyperlync during the 6 months from the date of disbursement of the bridging loan (the “**Maturity Date**”), subject to the satisfactory due diligence findings. In the event that Hyperlync fails to repay the S\$1 million bridging loan together with interest accrued upon the expiry of the Maturity Date, the Company will exercise its right to convert the outstanding amount of the bridging loan, including any interest accrued into new fully paid-up ordinary shares representing 30% of the total enlarged issued and paid up capital of Hyperlync. The whole acquisition deal will be terminated when there is a default on the bridging loan. For the avoidance of doubt, the Company will not proceed to enter into definitive investment agreement if the due diligence findings are unsatisfactory and there is an event of default, including but not limited to the non-repayment of the bridging loan. Since the acquisition deal is aborted then, to avoid the 30% Hyperlync shares sale to anyone, the Company granted Mr Harry Fox, the authorized person in this transaction, on behalf of its shareholders holding the remaining 70% shareholdings in Hyperlync, a call option to buy back the 30% shares within a 12-months period after the conversion option by the Company for S\$2 million.

b. Second investment stage

Concurrently, due diligence on Hyperlync will commence and due diligence findings have to be satisfactory before the Company will proceed to extend a credit facility of up to US\$3.5 million (inclusive of the first S\$1million as bridging loan) with interest rate at 8% per annum to Hyperlync. This facility may be limited to a maximum amount of US\$3 million if Hyperlync does not fulfil the 2 conditions as specified in section 3.3 of the Announcement. Upon satisfactory due diligence, then the Company shall enter into a definitive investment agreement to confirm the share-swap arrangement, whereby Hyperlync allots and issues 51% of its enlarged share capital to the Company with the call option to receive up to 20% of the Company's shares if the PBT Targets mentioned under section 3.6 of the Announcement are met by Hyperlync.

c. Third investment stage

Following the execution of the definitive investment agreement, the Company will continue to monitor the financial performance of Hyperlync and will only exercise its right to acquire the 51% of the total enlarged share capital of Hyperlync if Hyperlync is profitable as per the PBT Targets stated under section 3.6 of the Announcement.

In return for the 51% stake shares in Hyperlync, the Company will grant Mr Harry Fox and Hyperlyn' shareholders a call option to receive up to 20% of Edition's shares in the event if PBT Targets are achieved by Hyperlync.

SGX's Query 2

After Edition owns the 51% of the enlarged share capital of Hyperlync by extending up to US\$3.5m credit facility, who are the 49% shareholders in Hyperlync?

Company's Response

The 49% shareholders in Hyperlync are the existing shareholders and the Company confirms that the shareholders of Hyperlync are independent third parties and are not related to Edition Ltd.

The existing shareholders of Hyperlync Technologies Ltd are indicated below:

Shareholders
Harry Fox
Joseph Au
Jacob Benjamin
Ronald Wulfson
Joseph Abrams
Galant Trading Corp. Ltd
Michael Katz
Estelle Cleary
Pharoh Ltd
Robert A Ellis Revocable Trust
Glaubach Capital Group 11 LLC
Shimon Mark
Baker Street Investment
Catherin Weston Stocker Revocable Trust
Eric Stocker
Joseph Nasiri
Christian Pirkner

SGX's Query 3

On para 3.9 where it states that "If Hyperlync has insufficient cash, then its shareholders shall provide shareholders' loans to Hyperlync based on their respective shareholdings in the capital of Hyperlync (i.e. Edition shall lend 51% of the sum required and the other Hyperlync shareholders shall lend the balance 49%)." – Is there an upper limit on the amount to be loaned by Edition to Hyperlync? Will the insufficiency in cash of Hyperlync be determined by an independent party?

Company's Response

At this MOU stage and before the completion of due diligence, we have yet to define the upper limit on the amount to be loaned by the Company to Hyperlync. The management will define the upper limit in the definitive agreement after satisfactory due diligence is completed. The insufficiency in cash of Hyperlync will be determined by an independent party, for instance, auditor.

SGX's Query 4

We note that based on the circular dated 9 April 2014, Oniontech (Edition was formerly known as Oniontech) was engaged in the business of provision, production and development of software solutions for value added services in the mobile telecommunications industry in Korea and Japan. Also, as stated in the circular dated 20 May 2015, it was specified that the principal business of Edition comprises the Software Solutions Business. As part of the Software Solutions Business, the Group had successfully developed and launched a number of software solutions and content-related services for value added services in the mobile telecommunications industry.

Please confirm if the current acquisition would fall into this business segment?

Company's Response

The Company confirms that the current acquisition would fall into this business segment.

By Order of the Board
Edition Ltd.
Ong Boon Chuan
Executive Chairman and Chief Executive Officer

22 June 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

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