Edition Ltd.
Annual Report
2019

Edition

Contents

*This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the **"Sponsor"**).*

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST 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.

The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road, #21-00, AIA Tower, Singapore 048542,telephone (65) 6232 3210.

Corporate **Profile**

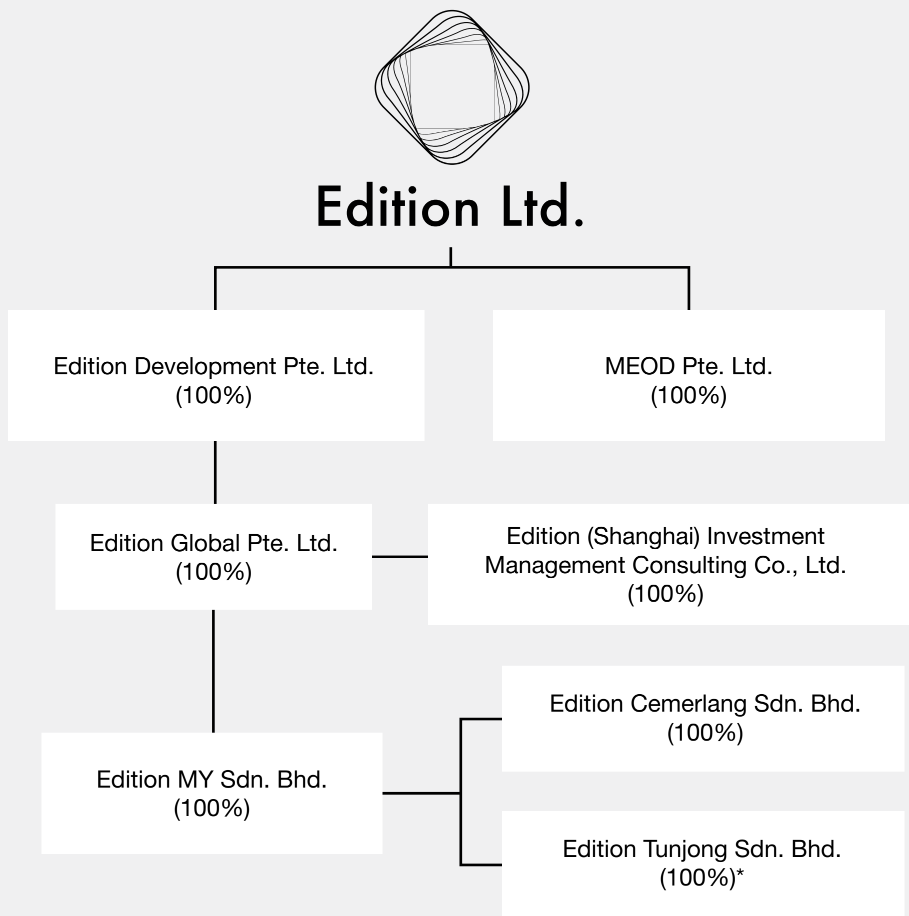
Edition Ltd. (“Edition”, the “Company”, or collectively with its subsidiary corporations, the “Group”) is a group engaged in investment holding, property development[(1)] and agricultural business.

The agricultural business which is our key segment, is shaping up to become an integral player in Singapore’s 30 by 30 initiative to raise Singapore’s food resilience to 30% of total national nutritional needs by 2030. At our pilot 1-Hectare farm, we have developed a unique proprietary cultivation technology and during the financial year, adopted additional cultivation technologies as part of our growth strategy. The development of our SFA*-awarded 6-Hectare future farm is going through regulatory submissions on its revised design plan. While awaiting regulatory approvals, the land has been deployed to engage in open cultivation of agriculture produce. Our produce includes leafy vegetables such as Asian greens, salad vegetables and fruiting crops such as lady’s finger, eggplant and sweet corn.

---

* *SFA “Singapore Food Agency”, the successor regulatory body of the Agri-Food and Veterinary Authority of Singapore (“AVA”).*

(1) *The Group exited the property development business in FY2017. What remains is the development right on a piece of land in Kota Bahru, Kelantan, Malaysia which is available to be developed into high-rise residential units.*



* *Applied to be struck-off during the financial year ended 31 December 2019.*

Joint Message to Shareholders

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), we are pleased to present the Annual Report for Edition Ltd. ("Edition" or the "Group") for the financial year ended 31 December 2019 ("FY2019").

Overview and Outlook

FY2019 has been a mixed year with the Group's key operating subsidiary, MEOD Pte Ltd ("MEOD") delivering higher revenue from our pilot 1-Hectare farm. However, this has been offset by continuing high operating costs. Notwithstanding this, the pilot farm remains very important for us as it allows us a test bed from which to prepare for the forthcoming development of the high-technology 6-Hectare farm. MEOD has been determinedly working on its goal to deliver locally-produced fresh, healthy and safe food of the highest quality and it has proudly done this with its 100% chemical-pesticide free vegetables!

Besides MEOD, the Group's investment portfolio includes two ventures with investment receivables extended to the investee companies. The Group continues to monitor the performance of these two ventures.

In FY2017, the Group has withdrawn from property development as a principal business. During the year, the Group submitted an application to the Companies Commission of Malaysia to strike-off a subsidiary, Edition Tunjong Sdn Bhd. Meanwhile, the one and only remaining investment in development rights of a piece of land in Kelantan, Malaysia has obtained regulatory approval for its building plan. The Group will monitor the property market conditions in charting its actions for this investment.

Sustainability Report

In line with the Group's commitment to be a responsible corporate citizen, we are pleased to publish our FY2019 Sustainability Report with our Annual Report, taking guidance from the Global Reporting Initiative standards for details of our economic, social and environmental activities and performance for the financial year.

Joint Message to Shareholders

Board Renewal

During the year, in line with corporate governance best practices, the Board revised its composition with an independent director Dr Toh See Kiat ("Dr Toh") taking over as Chairman of the Board. This is a very important milestone for the Group as we advance to the next level of corporate governance with the roles of the Chairman segregated from the Chief Executive Officer. The Board has already benefitted from Dr Toh's leadership and look forward to more contribution from him to the Group!

We also extend a warm welcome to Mr Ong Kai Hoe to the Board as Non-Independent Non-Executive Director in March 2020. We believe Mr Ong's different perspective will contribute towards even more robust deliberations at Board level.

Appreciation

On behalf of the Board, we express our appreciation to our valued shareholders, regulatory agencies, business and research partners, bankers, customers, suppliers, service providers and our team of employees for their dedicated support in the face of the huge challenges experienced by the Group and facing Singapore as a whole at this time. #SGUnited!!

We would also like to extend our appreciation to our fellow Board members for their invaluable contributions.

TOH SEE KIAT (DR)
Chairman and Independent Director

ONG BOON CHUAN
Executive Director and Chief Executive Officer

Review of Results

Turnover

Revenue increased from $46,000 in FY2018 to $111,000 in FY2019 mainly due to sale of our high quality, safe and hygienic premium farm produce albeit compared with a low base in FY2018.

Other Gains

Other gains were $481,000 in FY2019, as compared to $295,000 in FY2018, mainly due to an increase in interest income from investment loans and interest income from bank deposits.

Operating Expenses

Total expenses increased to $6.63 million in FY2019 from $3.56 million in FY2018 mainly due to an impairment charge of $3.16 million on the property, plant and equipment of a subsidiary corporation.

Excluding the impairment charge, total expenses decreased marginally to $3.47 million from $3.56 million in FY2018.

Employees compensation decreased to $1.79 million in FY2019 from $2.14 million in FY2018 mainly due to lower headcount. Our directors set an example and took a cut too. Changes in inventories and purchases of inventories in aggregate decreased to $0.11 million in FY2019 from $0.22 million in FY2018 mainly due to optimisation of farming operations resulting in better harvests.

Rental expense decreased to $0.05 million in FY2019 from $0.16 million in FY2018 due to recognition of right-of-use assets in FY2019 - which resulted in a corresponding increase in depreciation expense to $0.55 million from $0.39 million in FY2018 and an increase in finance costs.

Professional fees increased to $0.33 million in FY2019 from $0.26 million in FY2018 due to an increase in consultancy fees paid to raise the optimum operations of the farm.

Excluding the impairment charge on property, plant and equipment in FY2019, other expenses increased to $0.62 million from $0.39 million in FY2018 mainly due to provision for past due trade receivables, increase in repair and maintenance costs to farm assets, utilities and accommodation provided to farm staff.

Net Loss and Taxation

As a result of the above, the Group registered a net loss before tax of $6.04 million in FY2019, as compared with a net loss before tax of $3.22 million in FY2018.

The loss attributable to shareholders increased by $3.23 million to $6.00 million in FY2019, as compared to a loss of $2.77 million in FY2018 mainly due to an impairment charge of $3.16 million on property, plant and equipment.

The lower non-controlling interests' share of loss of $0.04 million in FY2019, as compared to a share of loss of $0.46 million in FY2018 was mainly due to the non-controlling interests' shareholding percentage being reduced from 49% to 5% in FY2018 and further being reduced to 0% in June 2019.

Balance Sheet and Statement of Cash Flow

As at 31 December 2019, the Group's cash and cash equivalent balances have decreased by $2.38 million, from $15.95 million in FY2018 to $13.57 million in FY2019, mainly due to overheads incurred in the agricultural segment. Trade and other receivables comprise primarily investment receivables extended to 2 investee companies. The trade and other receivables

Review of Results

decreased by $0.23 million in FY2019 to $3.36 million, from $3.59 million in FY2018 - due mainly to allowance for doubtful receivables.

Property, plant and equipment decreased from $3.79 million in FY2018 to $1.13 million in FY2019 mainly due to an impairment charge of $3.16 million and depreciation of $0.55 million, partly offset by purchases of property, plant and equipment of $0.64 million and capitalised right-of-use assets of $0.41 million.

Total Group liabilities increased from $0.67 million to $1.62 million mainly due to increase in payables on the Group's purchases and recognition of lease liabilities on right-of-use assets.

As a result of the above, net assets of the Group decreased from $23.83 million in FY2018 to $17.73 million in FY2019.

The inflows and outflows of cash are detailed in the Consolidated Statement of Cash Flows. The net cash outflow from operating activities for FY2019 and FY2018 was mainly due to operating expenses which was largely attributable to overheads expenses incurred by the agricultural segment. Changes in working capital were mainly due to an increase in payables from purchases and the recognition of lease liabilities from right-of-use assets. Net cash outflow from investing activities was mainly due to purchases of property, plant and equipment for farm operations. As a result of the above, the Group's cash and cash equivalents as at the end of FY2019 was $13.57 million.

Board of Directors

Dr Toh See Kiat
Independent and Non-Executive Chairman

Dr Toh was appointed to our Board as Independent Director on 19 August 2014. On 16 August 2019, Dr Toh was appointed as Chairman of the Board and he also serves as the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee. Dr Toh is a lawyer and his practice is in the areas of Banking, Corporate, Commercial Law, Intellectual Property Rights, Data Protection, 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, the Dubai Port Authority, the Abu Dhabi Department of Economic Planning and the Abu Dhabi Information and Systems Centre. 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 was 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.

Ong Boon Chuan
Executive Director and Chief Executive Officer ("CEO")

Mr Ong was appointed to our Board on 21 July 2014 as Chairman and Executive Director. Following his resignation as Chairman of the Board on 16 August 2019, Mr Ong remains as an Executive Director 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 corporation, TG Development Pte. Ltd. and 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 arm of the TG Group. Under the management and leadership of Mr Ong, the 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.

Board of Directors

Lui Seng Fatt
Independent Director

Mr Lui was appointed to our Board as Independent Director on 21 July 2014 and also serves as the Chairman of the Nominating Committee and member of the Audit Committee and Remuneration 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 Singapore Government Merit Scholarship, and holds a Master in Business Administration with a major in Finance from the National University of Singapore.

Ong Kai Hoe
Non-Independent Non-Executive Director

Mr Ong was appointed to our Board as Non-Independent and Non-Executive Director on 18 March 2020.

Mr Ong was previously the Executive Director of Edition Development Pte. Ltd. until his resignation on 15 March 2019. Mr Ong has more than 9 years of experience in property project management and project marketing at TG Development Pte Ltd and Edition Development Pte. Ltd.. Mr Ong is currently an investment manager overseeing portfolio investments with a fund management company. Mr Ong holds a Diploma in Business Information Technology from Singapore Polytechnic.

Hor Siew Fu
Independent Director

Mr Hor was appointed to our Board as Independent Director on 30 June 2016. He also serves as the Chairman of the Audit Committee and member of Remuneration Committee and Nominating Committee. He is an Independent Director of CosmoSteel Holdings Limited, Plastoform Holdings Limited and Memiontec Holdings Ltd, which are listed on the SGX-ST. He has more than 40 years of experience in the fields of finance, administration and general management in public-listed companies, multi-national corporations, government-linked companies, small and medium-sized enterprises as well as in the public sector. He last held the appointment of Chief Financial Officer ("CFO") for Albedo Limited. He has served as a volunteer in various capacities with government agencies as well as professional and non-profit organisations. Mr Hor graduated from the then University of Singapore with a Bachelor of Accountancy degree and MacQuarie University, Sydney, Australia, with a Master of Business Administration degree. He is a Fellow member of the Association of Chartered Certified Accountants (United Kingdom) and Institute of Singapore Chartered Accountants. He is also a professional (life) member of the Singapore Human Resources Institute.

Key Executives

Ong Kai Hian
Executive Director of Meod Pte Ltd, Edition Development Pte. Ltd., Edition Global Pte. Ltd., Edition MY Sdn Bhd, Edition Cemerlang Sdn Bhd and Edition Tunjong Sdn Bhd

Mr Ong Kai Hian is responsible for overseeing the operations and business development of the Group. 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 Royal Institute of British Architects (Part II) from the Architecture Association in London.

Boey Mun Choon
Financial Controller

Mr Boey was appointed as Financial Controller of the Group on 6 May 2019. He is responsible for the overall financial planning and financial management of the Group. Prior to joining the Group, he had several years of experience with public listed companies and private limited companies with exposure in multiple industries. Mr Boey holds a Bachelor of Accountancy from The National University of Singapore and is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants (“ISCA”).

Corporate Information

BOARD OF DIRECTORS:
Dr Toh See Kiat
(Independent and Non-Executive Chairman)

Ong Boon Chuan
(Executive Director and Chief Executive Officer)

Lui Seng Fatt
(Independent Director)

Hor Siew Fu
(Independent Director)

Ong Kai Hoe
(Non-Independent and Non-Executive Director)
appointed on 18 March 2020

AUDIT COMMITTEE:
Hor Siew Fu *(Chairman)*
Lui Seng Fatt
Dr Toh See Kiat

REMUNERATION COMMITTEE:
Dr Toh See Kiat *(Chairman)*
Hor Siew Fu
Lui Seng Fatt

NOMINATING COMMITTEE:
Lui Seng Fatt *(Chairman)*
Hor Siew Fu
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
80 Robinson Road
#25-00
Singapore 068898
Director in charge: Mr Ross Yu Limjoco
Year of appointment: Since financial year ended 31 December 2016

SPONSOR:
SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

Sustainability Report

Board Statement

Edition is delighted to present our Sustainability Report. As the Group has allocated significant time and resources to the agricultural business, this Sustainability Report will put a strong emphasis on our subsidiary MEOD. At MEOD, we are committed to cultivating high quality, safe and nutritious produce for our customers. We constantly explore new opportunities to enhance shareholders' value and will continue to work towards strengthening our customers and stakeholders' trust in us.

Good corporate governance is close to our hearts to ensure that the right business decisions are made, carried out and monitored properly. Since Singapore imports over 90% of our food, a vulnerability which has been further accentuated by the COVID-19 pandemic, there has been a renewed focus on local farms such as ours to increase efficiency and to act as a buffer against supply chain shocks and climate change. As a company that literally works the land, we believe that our employees, the community and the environment play vital roles in the continuing existence and growth of our business.

As a responsible corporate citizen, we consider sustainability issues from the perspective of our own business growth. We will focus and develop our sustainability practices around environmental, social and governance ("ESG") factors identified and measure the sustainability and ethical impact of MEOD.

Report Scope

This report covers our environmental, social, economic and governance performance focusing on MEOD's agricultural practice in Singapore which employs a majority of the Group's work force and has the largest impact on its bottom line. MEOD's key business activities focus on the development of agricultural product with the implementation of agrotechnology for the commercial production of fresh leafy vegetables in Singapore.

Unless otherwise stated, the report does not include the Company's other activities outside of Singapore. The content of this report focuses primarily on activities carried out within the financial year of January to December 2019. There have been no restatements of information and there are no significant changes in the scope of our reporting from the previous report covering the financial year 2018.

Reporting Framework

We have adopted the Global Reporting Initiative (GRI) Standards as our reporting framework. This report has been prepared to be in accordance with GRI Standards – Core option. This includes adhering to the GRI principles for defining report content:

- Stakeholder Inclusiveness: responding to stakeholder expectations and interests
- Sustainability Context: presenting performance in the wider sustainability context
- Materiality: focusing on issues where we can have the greatest impact and that are most important to our business and stakeholders
- Completeness: including all information that is of significant economic, environmental, and social impact to enable stakeholders to assess the Company's performance

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions to info@edn.sg.

Sustainability Report

Targets and UN Sustainable Development Goals (SDGs)

Yield Improvement

Key Commitment	Progress	Future Target
Continuous yield improvement to increase the local supply of vegetable without intensification of the use of harmful chemicals and pesticides	• Implement agri-technology to improve the productivity	• Continue to comply with company policy to produce chemical pesticide free produce

Community relations and empowerment

Key Commitment	Progress	Future Target
Empowering people through community development programmes	• Engage with Association for Persons with Special Needs (ASPN) to promote social and community programmes	• Continue to empower communities and collaborate with the right partners to promote and multiply the positive impacts of our business through a range of education, healthcare, social programmes

Women, diversity and inclusion

Key Commitment	Progress	Future Target
The Company is firmly committed to provide equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment based on race, religion, gender, nationalities and social classes	• No incidents of discrimination or harassment in 2019 • Progress in increasing women representation in management or supervision role	• Continue to ensure equal opportunities regardless of race, religion, gender, nationalities and social classes

Sustainability Report

Operational Carbon Footprint: Water, use of fertilisers, pesticides and chemicals waste

Key Commitment	Progress	Future Target
Improve water usage efficiency	• Water consumption is reduced through use of recycling and water treatment technology	• Carry out water footprint assessment to better manage water consumption
Improve water usage efficiency Improve nutrient usage efficiency	• Optimise the consumption of fertilisers through data analysis and extension of nutrition solution life cycle through deployment of better systems	• Source or develop better water systems for filtration and increase the use cycle of the nutrient solution
Safe food and environmentally friendly crop protection methods	• No harmful chemical pesticides used	• Continue to optimise operation and adhere to strict crop protection practices

Climate change adaptation

Key Commitment	Progress	Future Target
Ensuring the production of crops are not adversely affected by the impending climate change	• Upgraded our pilot farm with new cultivation systems to run trials to develop the growing methodologies • Identified and integrated the suitable solution for the future farm	• Continue optimising our greenhouse climate through technology and agronomic practices • Continue efforts to source for more heat and disease resistant seeds

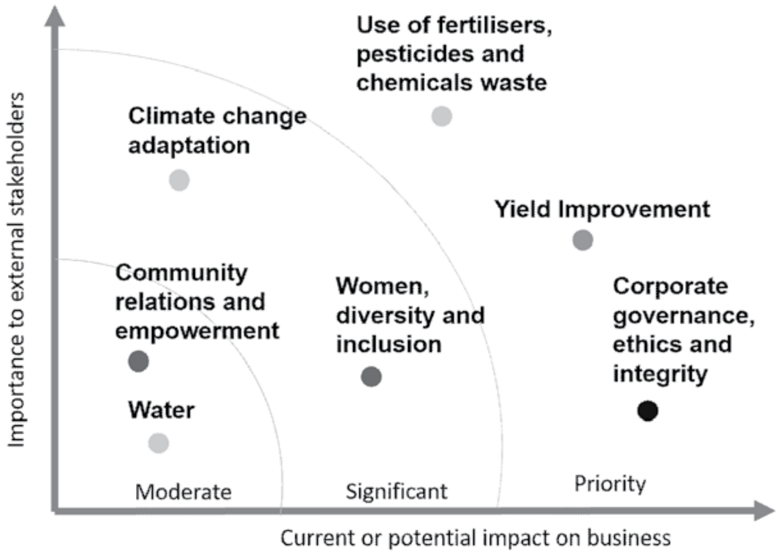
Materiality Assessment

We operate in a continuously changing landscape. Therefore the principle of materiality is important to help us to identify and prioritise the sustainability topics that shape our success as a business and that matter the most to our stakeholders. Our assessment of material issues informs our sustainability strategy and management approach. It also informs our reporting on sustainability to ensure that we are being transparent and responsive to stakeholder interests and concerns. To see how we are managing our most material issues please refer to the Targets and UN SDGs table.

In 2019, we conducted an in-depth materiality assessment across our entire value chain, including how stakeholder perspectives are changing and how macro trends and events are impacting our business.

Sustainability Report

The result of the assessment is a prioritised list of 7 sustainability issues presented in our materiality matrix. These are also described in detail with regards to the impact they have across our value chain in the table below.



Matrix Key

- Priority issues are the most material sustainability issues with high impact on society and the environment, and of high concern to stakeholders. These form the focus of sustainability policy, strategic approach to responsible farming, and sustainability reporting.

- Significant issues are of ongoing importance to MEOD and typically of medium concern to stakeholders. They are actively managed by the business. Updates on management and performance in relation to these issues is included in external reporting as relevant, based on sustainability context and stakeholder interest.

- Moderate issues are of lower relative importance to both MEOD and external stakeholders. However, these issues are still part of MEOD's responsible business practices and are managed as part of the company's sustainability agenda. These are reported as relevant, based on sustainability context and stakeholder interest.

ENGAGING OUR STAKEHOLDERS

Stakeholder engagement

We take a proactive approach to stakeholder engagement. Through a stakeholder mapping exercise, we have identified the stakeholder groups that are fundamental to the sustainability of our operations, and which have a significant interest in the impact of our material sustainability topics. We adopt a tailored approach to ensure regular engagement with each of these groups and constantly review the way we communicate with our stakeholders.

Sustainability Report

GOVERNANCE

Governance: Compliance
At MEOD, we believe that strong governance is key to a sustainable business. Throughout 2019, we continue to comply with the Code of Corporate Governance. Please refer to the Annual Report pages 18 to 48 for the details of the Company's Corporate Governance Report.

MEOD operates our farm under licence from the SFA. As part of the licensing criteria, SFA will conduct inspections on an ad-hoc basis and/or impromptu visits. In 2019, there have been no incidents of non-compliance of improper use of farm space or other conditions imposed by SFA.

Social and local communities
MEOD has in place programmes and initiatives that allow us to contribute back to the society and local communities that we work with. As a farm, MEOD is often left with vegetables that are perfectly edible but not aesthetically pleasing for our retail customers. In a bad harvest, this can contribute up to 30% of our crops. MEOD has begun a programme to reach out to charitable organisations to donate such produce. In 2019, we have contributed over 300kg of perfectly edible, nutritious, pesticide free vegetables to our local communities through various organisations.

Enterprise Risk Management ("ERM")
While the Board does not have a risk management committee and ERM in place now, the management team of MEOD regularly reviews its 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.

ECONOMIC PERFORMANCE

Market and Supply Chain
In 2019, MEOD has maintained our market outreach through Singapore's fresh wet market network. MEOD produce can be found in over 50 fresh market outlets islandwide. Our retail presence at fresh wet markets also underpins our efforts in keeping with our mission of accessible healthy food by making fresh, sustainable and 100% chemical pesticide free produce available to the masses at affordable prices. We had also expanded our sales channels to supermarket and Online platforms to further enhance our presence in the Singapore market.

Increasing production output
An additional 60,789 square metres of land at Neo Tiew Harvest Lane, under a lease tenure of 20 years from the SFA will be developed in phases to grow a larger variety of local vegetables. Through this scale, we expect to increase output and realise higher efficiencies through economies of scale.

Research and Development Collaboration
At MEOD, we have started research and development ("R&D") projects on cooling methods that allow us to cool our environment using less energy and cost (both operational and capital costs) than conventional mechanical or heating, ventilation, and air conditioning ("HVAC") cooling technologies.

There are also additional research projects undertaken with the various local Institutes of Higher Learning (IHL) in Singapore amongst other collaboration initiatives with other professional experts to improve our agricultural productivity.

As part of our economic development and sustainability, we anticipate that some research outcomes could potentially be commercialised and enable the Company to proliferate these technologies and expand into new markets. In addition, this research also enables the Company to produce better productivity in yield to supply the local Singapore market.

Sustainability Report

ENVIRONMENTAL MANAGEMENT

Energy and design
MEOD has expanded our growing capacity by deploying new hydroponic systems. Deep water culture and Nutrient Film Techniques are being implemented in the pilot 1-hectare farm. Through efficient design and engineering, we are able to optimise our operations efficiency and flow while not compromising the safety of our workers.

Due to the nature of farming in our tropical region, the farm's cooling needs take up a large part of our energy consumption. In the financial year ended 31 December 2019 ("FY2019"), we have used around 25% more electricity. This was mainly for the equipment used to facilitate the process of plant growing, including chillers. Although there is an increase in electricity use as compared to FY2018, the MEOD farm comparatively uses much less power than other greenhouse operations or indoor LED farms. As part of our R&D efforts to reduce electrical use in our farming, we will continue to collect the relevant data to optimise the energy usage while designing a more efficient system for the new farm.

Part of our R&D is also focused on developing new greenhouse growing structure designs that can create the ideal microclimate for different plants while minimising the need of cooling the greenhouse.

Water
As a vegetable farm, MEOD relies heavily on water for our crop cultivation. Through the adoption of new technologies and rainwater harvesting process, we were able to improve the water/kg of produce by 35% in FY2019.

Furthermore, MEOD invested in additional technology that allows us to analyse our water quality and its constituents in detail. This allows us to specifically top up the right elements that is lacking in our nutrient mix, reducing our overall input of other elements. Through our existing computer controls, we are able to calibrate the amount of water to be delivered to each plant during different conditions of the day, further minimising water use and wastage.

MEOD is also exploring new cutting-edge water technologies, in the field of oxygen nano-bubbles in water. Nano bubbles have been researched on and have proven to aid filtration, remove bacteria and pathogens, allowing us to reduce reliance of mechanical and external filtration devices. If successful, our water can continue to be recycled at larger volumes and for longer periods, reducing the need for external filtration. Effluent water once treated can also be used for washdown and hygiene purposes, reducing our water requirements for operations even further.

Water Effluents
MEOD does not have any significant amounts of waste water discharge due to our closed-loop irrigation system.

100% Pesticide Free
MEOD does not use any harmful chemical pesticides in our farm and we market our produce as pesticide-free. We are firm in our crop protection policy. We stay true to our vision of offering honest, safe and healthy and sustainable food to end consumers.

Recycling Waste
Certain crops that are edible but do not meet our internal standards are donated to non-profit organisations or used as compost. We are thus able to save costs by not incurring delivery or disposal costs.

Packaging and logistics
In 2019, our produce was delivered to wholesalers in reusable plastic crates boxes. MEOD is working on a just-in-time logistics model where the vegetables can be harvested, packed and immediately put on delivery trucks for onward delivery to the customers. This would save costs arising from energy-intensive cold storage as well as providing the end consumer with even fresher produce.

Sustainability Report

WORK ENVIRONMENT AND INDUSTRIAL RELATIONS

Recognising, respecting and strengthening workers' rights
We believe in fair, equal and respectful treatment for all our employees. We have also reinforced our commitment to ensuring that the rights of all people working in our operations are respected. We adhere to all labour laws covering issues such as freedom of association for our employees, decent pay and working hours, non-discrimination and the complete elimination of child and forced labour. Our commitment to fair labour practices are also emphasised in our Code of Conduct and employment practices. We have an equal opportunities policy on employment, banning discrimination based on race, national origin, religion, disability, gender, sexual orientation, union membership and political affiliation.

Diversity and Gender equality
We believe in promoting gender equality in the workplace. However, the laborious nature of agricultural work means that certain jobs continue to be more suited to employees with better physique who can handle loads up to 25kg per trip. We aim to allocate the right task in accordance with individual strength and continue to improve the work environment to improve the comfort and ergonomics of farming work. We have zero tolerance for sexual harassment and promote female participation and advancement in the workplace.

Employment: human rights, training and education, health and safety, labour management relations
MEOD is proud to support the government's initiatives on improving employment opportunities for elderly persons. Amongst our farming staff, approximately 15% are aged 50 or older. As Edition invested in MEOD only in 2015, all employees have less than five years' working experience with the Group. Within the Group, 35% of the existing employees are above 50 years old. 45% of the workforce are Singaporeans and 55% of the workforce come from other Southeast Asian countries.

Age group	Edition Ltd.	Meod Pte. Ltd.	Total
20 to 30	–	30%	23%
31 to 40	–	30%	23%
41 to 50	–	25%	19%
> 50	100%	15%	35%
Total	100%	100%	100%

Training and education
Throughout 2019, the Group had been committed to the upgrading and training of our staff and will endeavour to do so in the following years. We will continue to engage external consultants to provide relevant trainings for our staff, such as educating them on the best methods to grow plants in tropical weather.

Creating a Safe and Healthy Workplace
We take our responsibility of providing a safe and healthy workplace very seriously and our occupational health and safety management is aimed at minimising the risk of workplace accidents, fatalities and other negative health impacts.

Our updated health and safety policy promotes:

- Creating awareness on health and safety management amongst our staff and related stakeholders
- Ensuring compliance with government regulations and related guidelines
- Adopting health and safety practices as part of the operating procedures
- Identifying and managing operational risks to prevent and reduce work-related accidents or illness
- Providing of personal protective equipment to all workers in line with regulations and best practices

Sustainability Report

Ethics and integrity

MEOD has a strict no child-labour and anti-slavery policy. MEOD does not employ any worker under the age of 18 and prohibits the use of child or forced labour on our farm. No employee is made to work against their will or work as bonded or forced labour. No employee is subject to corporal punishment. MEOD will always act honestly, openly, fairly and ethically in the course of its business. The Company strives to uphold all laws aimed at countering corruption and maintains a zero-tolerance policy for corruption by our stakeholders. MEOD encourages employees to report any concerns in this respect directly to the management. In 2019, there were zero incidents reported on child-labour or corruption.

Corporate Governance

Edition Ltd. (the "Company", and collectively with its subsidiary corporations, the "Group") is committed to achieving high standards of corporate governance and transparency practices. The Company believes that high standards of corporate governance are imperative to the sustained growth and long-term success of the Group's business. The Company therefore continually seeks to uphold a high standard of corporate governance and looks to improve corporate transparency to safeguard the interests 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 Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules") requirements that issuers describe their corporate governance practices with specific reference to the Code of Corporate Governance 2018 (the "Code") in their annual reports.

The Code aims to promote high levels of corporate governance by putting forth Principles of good corporate governance and Provisions which companies are expected to comply. The Practice Guidance complements the Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

The Directors and Management strongly support the Principles and Provisions as set out in the Code. Where there are specific deviations from the Code, the Board of Directors of the Company (the "Board") considers the alternative corporate governance practices adopted by the Company to be sufficient to meet the underlying objective of the Code and explanations for the deviation are provided below:

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the Company

As at the date of this report, the Board comprises the following members, all of whom possess the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Name	Designation	Audit Committee	Nominating Committee	Remuneration Committee
Dr Toh See Kiat[(1)]	Independent and Non-Executive Chairman	Member	Member	Chairman
Mr Ong Boon Chuan	Executive Director and Chief Executive Office ("CEO")	–	–	–
Mr Hor Siew Fu	Independent Director	Chairman	Member	Member
Mr Lui Seng Fatt	Independent Director	Member	Chairman	Member
Mr Ong Kai Hoe[(2)]	Non-Independent and Non-Executive Director	–	–	–

Notes:

(1) Dr Toh See Kiat was appointed as Independent and Non-Executive Chairman of the Board on 16 August 2019 to replace Mr Ong Boon Chuan.

(2) Mr Ong Kai Hoe was appointed as Non-Independent and Non-Executive Director on 18 March 2020.

Corporate Governance

Key information regarding the Directors is given in the section on “Board of Directors” of this report.

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.

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

a. to approve the Group’s strategic plans, key operational initiatives, major investments, major divestments and funding requirements. The Board will also, where appropriate, consider sustainability issues, such as the environmental and social impact of the Group’s business and operations as part of its strategic formulation;

b. 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;

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

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

e. to review the structure and size of the Board, following receipt of recommendation from the Nominating Committee (the “NC”) and approve the appointment of directors and company secretary;

f. to approve the recommended framework of remuneration for the Board and key executives by the Remuneration Committee (the “RC”); and

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

All Directors recognise that they have to discharge their duties and responsibilities in the best interests of and benefit to the Company. The Directors and CEO who are in any way, directly or indirectly, interested in a transaction or proposed transaction will declare the nature of their interest in accordance with the provisions of the Companies Act, Chapter 50. Any Director facing a conflict of interest will recuse himself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter.

The Company has established a Code of Business Ethics that sets the principles of business ethics for the Group and covers areas such as business conduct, protection of Company’s assets, confidentiality of information and conflicts of interest. All staff of the Group are expected to uphold high standards of integrity that are in compliance with the Company’s Code as well as laws and regulations of the countries in which they operate.

Provision 1.2 of the Code: Directors’ induction, training and development

All newly appointed Directors will be provided with formal letters setting out their duties and obligations upon appointment. They are also provided with background information about the Group’s history and core values, its strategic direction and corporate governance practices as well as industry specific knowledge. Pursuant to the amended Rule 406(3)(a) of the Catalist Rules (which was revised to be consistent with the Code), directors who have no prior experience as directors of a listed company, will be required to attend the prescribed directorship courses conducted by the Singapore Institute of Directors (“SID”) within 1 year from their date of appointment. Mr Ong Kai Hoe, who was recently appointed as the Non-Independent and Non-Executive Director on 18 March 2020, has no prior experience as a director of a listed company and the Company will arrange for him to attend the Listed Entity Director Programme conducted by SID within 1 year from his appointment date.

Corporate Governance

The Directors are aware of the requirements in respect of their 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. The Directors are also briefed by the Financial Controller, its Continuing Sponsor and professionals either during Board meetings or at separate meetings on regulatory changes that may impact the Company and the Directors' obligations to the Company. The Directors will, from time to time, attend seminars and briefing sessions to enable them to keep abreast with the regulatory changes, in particular where changes to regulations and accounting standards have a material bearing on the Company. Such trainings included attendance by some directors for courses organised by SID, briefings and updates provided by our Company Secretary and other professionals in relation to changes of law, regulations and financial reporting standards. The Directors are provided with opportunities to attend trainings related to their roles every year at the Company's expenses.

The following briefings and updates have been provided by the external auditors, Nexia TS Public Accounting Corporation to the Board:

a. Updates on developments in Singapore Financial Reporting Standards (International); and

b. Updates on the Financial Reporting Surveillance Programme administered by Accounting and Corporate Regulatory Authority.

Annually, our external auditors update the Audit Committee (the "AC") and the Board on new or revised financial reporting standards, if any.

Provision 1.3 of the Code: Matters requiring Board's approval

The Board has adopted a set of guidelines on matters that requires its approval. The following types of material transactions are specifically reserved for the Board:

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

b. Approval of annual results and financial statements;

c. Declaration of interim and proposal of final dividends;

d. Approval of corporate strategies;

e. Convening of shareholders' meetings; and

f. Authorisation of major transactions and merger and acquisition transactions.

Provision 1.4 of the Code: Board Committees

Certain functions have been delegated by the Board to its designated Board Committees including the AC, NC and RC, each of which operate within clearly defined and written terms of reference. All Board Committees are chaired by an Independent Director. While these committees are delegated with certain responsibilities, the ultimate responsibility for the final decision lies with the entire Board. The details of each committee are set out in this report.

Corporate Governance

Provision 1.5 of the Code: Board Meetings and Attendance

The Company's Constitution allows Board meetings 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 Independent Directors also set aside time to meet without the presence of Management to review the latter's performance in meeting goals and objectives. The Board and Board Committees' meetings held during the financial year ended 31 December 2019 are set out under below. The Board had also on various occasions used written resolutions by circulation to make certain decisions.

Prior to the conduct of each committee meetings, the draft notice of each committee meetings will be circulated to the respective members two weeks in advance, to ensure each member has sufficient time to respond with the proposed agenda. The recommendations made by the Chairman of the Board with regard to proceedings of the Board and committee meetings are deliberated and adopted if accepted.

The attendance of the Directors at the Board and Board Committee meetings held during the financial year ended 31 December 2019 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
Dr Toh See Kiat	2	2	2	2	2	2	1	1
Mr Ong Boon Chuan	2	2	2[1]	2[1]	2[1]	2[1]	1[1]	1[1]
Mr Lui Seng Fatt	2	2	2	2	2	2	1	1
Mr Hor Siew Fu	2	2	2	2	2	2	1	1
Mr Ong Kai Hoe[2]	–	–	–	–	–	–	–	–

(1) The Executive Director is not a member of the Committees but had attended the meetings of the Committees by invitation.
(2) Mr Ong Kai Hoe was appointed as the Non-Independent and Non-Executive Director on 18 March 2020.

All Directors, except for Mr Ong Kai Hoe who was just newly appointed in March 2020, were present at the last annual general meeting held on 23 April 2019.

Provision 1.6 of the Code: Access to information

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. The Management also 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. 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 gain a better perspective and enhance their understanding of the business.

The Board is provided with complete and adequate information prior to Board meetings. Board papers are generally distributed 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.

Provision 1.7 of the Code: Access to Management and Company Secretary

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 Chairman of the Board or the Chairman of the Committee requiring such advice) will be appointed and the expenses of such services will be borne by the Company.

Corporate Governance

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 Committee 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.

The Company has in place procedures for Directors to seek independent advice, where necessary, in the furtherance of their duties and at the Company's expenses.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 of the Code: Directors' Independence
Provision 2.2 of the Code: Independent directors make up a majority of the Board
Provision 2.3 of the Code: Non-executive directors make up a majority of the Board

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

Dr Toh See Kiat	(Independent and Non-Executive Chairman)
Mr Ong Boon Chuan	(Executive Director and CEO)
Mr Lui Seng Fatt	(Independent Director)
Mr Hor Siew Fu	(Independent Director)
Mr Ong Kai Hoe	(Non-Independent Non-Executive Director)

The Board is supported by various sub-committees, namely, the AC, NC and RC 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 Company notes that Provision 2.2 of the Code requires that independent directors make up a majority of the Board where the Chairman is not independent. On 16 August 2019, Mr Ong Boon Chuan stepped down as Chairman of the Board and Dr Toh See Kiat was appointed as Independent and Non-Executive Chairman. With an Independent Chairman of the Board, Independent Directors making up more than half of the Board and together with a Non-Executive Director making the majority of the Board, the NC is of the view that there is a strong and independent element on the Board.

The independence of each Director is reviewed annually by the NC in accordance with the Code's definition of independence and the Catalist Rules. Each Director is required to complete a "Confirmation of Independence of Director" form to assess his independence. The form, drawn up based on the definitions and guidelines set forth in Practice Guidance 2 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 and the Catalist Rules.

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 substantial 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 to the best interests of the Company. The NC, as a result of its review, is satisfied that the Independent Directors of the Company are independent as the Independent Directors have satisfied the criteria of independence in accordance to the Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules. Further, the NC is of the view that no individual or small group of individuals dominate the Board's decision-making process.

Corporate Governance

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.

Provision 2.4 of the Code: Board composition

The Company does not have a board diversity policy. 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, business administration, accountancy and law.

All Board appointments will be made based on merit as set out below, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board and the contribution that the selected candidates 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%

The Board members provide a range of core competencies in accounting, finance, legal, business management experience and expertise and industry knowledge. Accordingly, the current Board comprises persons who as a group have core competencies necessary to lead and manage the Company effectively.

The Independent Directors participate actively in providing strategic guidance to the Company based on their professional knowledge, in particular, assisting to constructively challenge and develop proposals on strategy.

Provision 2.5 of the Code: Meeting of Independent Directors without Management

The Independent Directors help to review the performance of the Management in meeting their targets 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.

CHAIRMAN AND CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management and no one individual has unfettered powers of decision-making.

Provision 3.1 of the Code: Separation of the roles of the Chairman and the CEO
Provision 3.2 of the Code: Division of responsibilities between the Chairman and CEO
Provision 3.3 of the Code: Lead Independent Director

Following the resignation of Mr Ong Boon Chuan as Executive Chairman of the Board and the appointment of Dr Toh See Kiat as Independent and Non-Executive Chairman of the Company, the Chairman and the CEO are separate persons. The role of the Independent and Non-Executive Chairman is the promotion of high standards of corporate governance and leadership of the Board in all aspects. The role of the CEO is that of an executive, leading the Group in its strategic planning, operation and business development in all aspects of the Group's businesses.

Corporate Governance

Guided by the Chairman of the respective committees, Financial Controller and the Company Secretary, the Chairman of the Board is responsible to:

a. lead the Board to ensure its effectiveness on all aspects of its role;

b. set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

c. promote a culture of openness and debate at the Board;

d. ensure that the directors receive complete, adequate and timely information;

e. ensure effective communication with its shareholders;

f. encourage constructive relations within the Board and between the Board and Management;

g. facilitate effective contribution of non-executive directors in particular; and

h. promote high standards of corporate governance and assist in ensuring compliance of the Company's guidelines on corporate governance.

Subsequent to the appointment of Dr Toh See Kiat as Non-Executive and Independent Chairman of the Board, the NC has reviewed and agreed that no Lead Independent Director is required, a designation previously held by Mr Lui Seng Fatt.

BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 of the Code: Role of the NC
Provision 4.2 of the Code: Composition of NC

To facilitate a formal and transparent process for the appointment of new Directors, the Board has formed the NC. The NC comprises:

Mr Lui Seng Fatt	(Chairman)
Dr Toh See Kiat	(Member)
Mr Hor Siew Fu	(Member)

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

The NC has written terms of reference and its role includes:

a. Reviewing of succession plans for Directors, in particular the appointment and/or replacement of Chairman, the CEO and key executives;

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

c. 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;

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

Corporate Governance

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

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

g. Reviewing the training and professional development programmes of the Board and its Directors.

Provision 4.3 of the Code: Board renewal and succession planning

The process for the shortlisting, selection and appointment of all new directors is spearheaded by the NC. In the selection and nomination of a new director, the NC 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 NC is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval.

During the year under review, Mr Ong Kai Hoe was appointed as Non-Independent Non-Executive Director on 18 March 2020. The NC has reviewed Mr Ong Kai Hoe's qualification and experience and recommended his appointment to the Board for approval.

The NC has reviewed the board succession plan for Directors, in particular for the Executive Director cum CEO.

Provision 4.4 of the Code: Circumstances affecting Director's independence

The NC's assessment of the independence of a director is guided by the Code and the relevant Catalist Rules and takes into account factors such as relationship with the Company, its related corporations, its substantial shareholders or its officers and whether these relationships interfere with his business judgement. The NC has reviewed the independence of Dr Toh See Kiat, Mr Lui Seng Fatt and Mr Hor Siew Fu and is satisfied that there are no relationships which would deem any of them not to be independent.

Provision 4.5 of the Code: Multiple listed company directorships and other principal commitments

The NC resolved that each director of the Company shall have appointments no more than five board representations in other listed companies. Every year, the NC reviews the number of listed company board representations and principal commitments the Directors hold as well as the composition of the Board. Although some of the Board members have multiple board representations and principal commitments, the NC is satisfied that the Directors have devoted sufficient time and attention to the Company. 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 (the "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 NC's recommendation to seek approval from Shareholders at the forthcoming AGM to re-elect Dr Toh See Kiat who will be retiring according to Article 91 of the Constitution of the Company and Mr Ong Kai Hoe who will be retiring according to Article 97 of the Constitution of the Company.

Corporate Governance

Mr Lui Seng Fatt is due to retire at the forthcoming AGM. However, he has given notice to the Company that he is not seeking re-election at the AGM. His retirement from the Board will take effect upon the conclusion of the AGM. He will upon retirement, cease to be the Chairman of the NC and member of the AC and RC.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the retiring Directors as set out in the Appendix 7F of the Catalist Rules is disclosed below:

	TOH SEE KIAT	**ONG KAI HOE**
Date of Appointment	19 August 2014	18 March 2020
Date of last re-appointment	26 April 2018	–
Age	65	33
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experiences, contribution, performance, attendance, preparedness, participation, candour and suitability of Dr Toh See Kiat ("Dr Toh") for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Dr Toh possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. The Board considers Dr Toh to be independent for the purpose of Rule 704(7) of the Listing Manual of the SGX-ST.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, performance, attendance, preparedness, participation, candour and suitability of Mr Ong Kai Hoe ("Mr Ong") for re-appointment as Non-Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Ong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Independent	Non-Independent Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent and Non-Executive Chairman, Chairman of RC and a member of both the AC and NC	Non-Independent Non-Executive
Professional qualifications	Advocate and Solicitor, Supreme Court of Singapore Fellow of the Singapore Institute of Directos Fellow of the Singapore Computer Society	Diploma in Information Technology

Corporate Governance

	TOH SEE KIAT	ONG KAI HOE
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiary corporations	No	Mr Ong is the child of Mr Ong Boon Chuan, who is the Executive Director, CEO and controlling shareholder of the Company and Mdm Kok Lee Kuen, a controlling shareholder
Conflict of Interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Past Secretary of The Pwee Foundation Ltd Present Chairman and Director of Goodwins Law Corporation Director of CommerceNet Singapore Ltd	Business Development Manager at TG Development Pte. Ltd. (Sep 2009 - Aug 2014) Director at subsidiaries of Edition Ltd., i.e. Edition Development Pte. Ltd. and Edition Global Pte. Ltd. (Aug 2014 - Mar 2019) Director at Malaysian subsidiaries of Edition Ltd., i.e. Edition MY Sdn. Bhd., Edition Cemerlang Sdn. Bhd. and Edition Tunjong Sdn. Bhd. (Aug 2014 - Mar 2019) Director at former subsidiary of Edition Ltd., i.e. Edition Land Pte. Ltd. (struck off) (Mar 2015 - Mar 2019) Business Development Manager at TG Development Pte. Ltd. (Mar 2019 - Jun 2019) Investment Manager at HT Capital Pte. Ltd. (Jun 2019 – current)
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 794(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	No	No

Corporate Governance

	TOH SEE KIAT	ONG KAI HOE
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) or Catalist Rule 704(8) **Past (for the last 5 years)** **Present**	Past: Director: None Principal commitments: The Pwee Foundation Ltd (Secretary) Mount Carmel BP Church Ltd (Member) Present: Director: Goodwins Law Corporation (Chairman) CommerceNet Singapore Ltd	Past: Director: Edition Development Pte. Ltd. Edition Global Pte. Ltd. Edition Land Pte. Ltd. (struck-off) Edition MY Sdn. Bhd. Edition Cemerlang Sdn. Bhd. Edition Tunjong Sdn. Bhd. (submitted the application to strike-off to the Companies Commission of Malaysia) Principal commitments: TG Development Pte Ltd (Business Development Manager) Present: Director: None Principal commitments: HT Capital Pte Ltd (Investment Manager)

Corporate Governance

	TOH SEE KIAT	ONG KAI HOE
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Corporate Governance

		TOH SEE KIAT	ONG KAI HOE
(f)	**Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?**	No	No
(g)	**Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?**	No	No
(h)	**Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?**	No	No
(i)	**Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?**	No	No

Corporate Governance

	TOH SEE KIAT	ONG KAI HOE
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Corporate Governance

	TOH SEE KIAT	ONG KAI HOE
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? **If yes, please provide details of prior experience.** **If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.** **Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).**	N.A.	N.A.

When considering the re-nomination of Director for re-election, the NC had considered the Directors' overall contribution and performance (such as time commitment by the Board members with multiple board representation, 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 NC is satisfied that the performance criteria are satisfied for the financial year in review.

As a Director's ability to commit time to the Group's affairs is essential for his contribution and performance, the NC has determined that the maximum number of listed company representation which any Director of the Company may hold is five (5) and all Directors have complied. Having reviewed each of the Director's directorship in other companies as well as each of the Director's attendance and contribution in FY2019, the NC is satisfied that all Directors have spent adequate time on the Company's affairs and have duly discharged their responsibilities.

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 five (5) years**
Dr Toh See Kiat (Independent and Non-Executive Chairman)	19 August 2014 / 26 April 2018	Principal commitments: • Goodwins Law Corporation (Chairman and Director) • CommerceNet Singapore Ltd (Director)	Principal commitments: • The Pwee Foundation Ltd (Secretary) • Mount Carmel BP Church Ltd. (Member)
Mr Ong Boon Chuan (Executive Director and CEO)	21 July 2014 / 23 April 2019	Principal commitments: • TG Corporate Holdings Pte. Ltd. and its subsidiary corporations (Director)	–
Mr Lui Seng Fatt (Independent Director)	21 July 2014 / 26 April 2018	Principal commitments: • Strategic Capital Global Pty. Ltd. (Chairman and Director)	–
Mr Hor Siew Fu (Independent Director)	30 June 2016 / 23 April 2019	Principal commitments: • Cosmosteel Holdings Ltd (Independent Director, Chairman of AC and Member of NC and RC) • Memiontec Holdings Ltd (Independent Director, Chairman of AC and Member of NC and RC) • Plastoform Holdings Limited (Lead Independent Director, Chairman of AC and Member of NC and RC)	–

Corporate Governance

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 five (5) years**
Mr Ong Kai Hoe (Non-Independent Non-Executive Director)	18 March 2020 / NA	Principal commitments: • HT Capital Pte. Ltd. (investment manager)	Principal commitments: • TG Development Pte. Ltd. (Business Development Manager) Director: • Edition Development Pte. Ltd. • Edition Global Pte. Ltd. • Edition Land Pte. Ltd. (struck-off) • Edition MY Sdn. Bhd. • Edition Cemerlang Sdn. Bhd. • Edition Tunjong Sdn. Bhd. (submitted the application to strike-off to the Companies Commission of Malaysia)

Currently, no alternate director in respect of any of the Directors has been appointed during the year.

Dr Toh See Kiat will, upon re-election as Director of the Company, remain as Chairman of the Board and RC and a member of the AC and NC. The Board considers Dr Toh to be independent for the purpose of Rule 704(7) of the Catalist Rules. Save as disclosed herein, Dr Toh does not have any relationship including immediate family relationship with the Directors, the Company or its substantial shareholders (as defined in the Code).

Mr Ong Kai Hoe will, upon re-election as Director of the Company, remain as a Non-Independent Non-Executive Director of the Company.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 of the Code: Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual director

The NC 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.

Annually, the NC has conducted a formal assessment on the performance of the Board as a whole (including Board Committees) 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.

The qualitative criteria used to evaluate the overall Board performance include the composition of the Board, information flow to the Board, Board procedures, corporate strategy and planning, risk management and accountability as well as matters concerning key management personnel and standard conduct of its Board members.

At the end of each financial year, a Board and individual evaluation are conducted where the Directors complete a questionnaire seeking their views on a set of criteria which include Board's conduct of meetings, maintenance of independence, board accountability, communication with Management, etc. The Company Secretary then compiles the Directors' responses to the questionnaires into a summarised report and circulates the same to the NC and the Board for discussion. Following the evaluation, the Board is of the view that the Board and its Board Committees operate effectively.

The Chairman of the NC uses the results of the performance evaluation and, where appropriate and in consultation with the NC, to determine whether to re-nominate Directors who are due for retirement at the next AGM or to propose new members to be appointed to the Board. Each member of the NC shall abstain from voting on any resolution in respect of his performance or re-nomination as a Director.

The criteria 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. To-date, no external facilitator has been used.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 of the Code: RC to recommend remuneration framework and packages
Provision 6.2 of the Code: Composition of RC
Provision 6.3 of the Code: RC to consider and ensure all aspects of remuneration are fair
Provision 6.4 of the Code: Expert advice on remuneration

The RC, 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 RC are as follows:

Dr Toh See Kiat	(Chairman)
Mr Lui Seng Fatt	(Member)
Mr Hor Siew Fu	(Member)

Corporate Governance

The RC'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.

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

The Independent Directors and Non-Executive Non-Independent Director receive directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The directors' fees are recommended by the RC and endorsed by the Board for approval by shareholders of the Company at the AGM. Except as disclosed in this Annual Report, the Independent Directors did not receive any other remuneration from the Company.

The Executive Director has entered into a service agreement with the Company (the "Service Agreement"), under which the terms of his employment are stipulated, including a monthly base salary and a variable bonus. The Executive Director also participates in a profit-sharing scheme that is pegged to the Group's profitability. Based on his Service Agreement, the Executive Director is eligible to a fixed bonus and a performance bonus. For performance bonus, if the consolidated profit before income tax of the Group (the "PBT") exceeds S$2 million based on the audited financial statements, Mr Ong Boon Chuan will be paid 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. The Executive Director does not receive a director's fee and there are no post retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination.

Where appropriate, the RC reviews the service contracts of the Company's Executive Director and key executives. The service contract for the Executive Director is renewable for a fixed appointment period of two or three years and may be terminated by not less than 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 allows the Company to reclaim variable incentive components of remuneration from the Executive Director and key executives. However, in alignment with current regulatory standards, the variable incentives of the Executive Director 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. The RC reviews the Executive Director and key executives' contracts to ensure that such contracts of services contain fair and reasonable termination clauses.

For the financial year ended 31 December 2019, no termination, retirement or post-employment benefits were granted or may be granted to the Directors, the CEO and key executives - other than the standard contractual notice period termination payment in lieu of service, and the benefits for the CEO and relevant key executives.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance

Corporate Governance

In setting remuneration packages, the RC will take into account the performance of the Group as well as the Executive Director 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 RC'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 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 shareholders' value.

The Executive Director of the Company does not receive any directors' fees but is remunerated as a member of Management. The remuneration package of the Executive Director 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 Company has in place an Employee Share Option Scheme (the "Share Option Scheme") and a Performance Share Plan (the "Share Plan") that serve to provide a longer-term incentive better aligned with long term performance of the Company and of the employee. In 2017, the Company granted 35,448,335 share options and 8,862,084 share awards under the Share Option Scheme and Share Plan respectively. With the resignation of the key management personnel in 2019, the outstanding share options and share awards is 31,334,876 and 7,833,719 respectively as at 31 December 2019. As at 31 December 2019, the number of share options that are converted and share awards that are vested is nil.

Provision 7.2 of the Code: Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

The remuneration of the Independent Directors is in the form of a fixed fee which is determined after taking into consideration factors such as effort, time spent and responsibilities of the Directors, as mentioned above.

In addition to the level of responsibility, the remuneration of Independent Directors and Non-Independent Non-Executive Director also take into account industry benchmarks. The Company believes that the current remuneration of Independent Directors is at a level that will not compromise the independence of these directors.

The Directors' fees are subject to the Shareholders' approval at the AGM.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.3 of the Code: Remuneration disclosures of Directors and key management personnel as well as the details of employee share option schemes

Corporate Governance

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 and CEO as well as the aggregate remuneration paid to the key executives of the Group. Regarding the Code's recommendation to fully disclose the remuneration amount and breakdown of each individual director and the CEO, the Company believes that disclosing their remuneration in the bands of S$250,000 provides a sufficient overview of the directors' and CEO's remuneration.

A breakdown showing the level and mix of each individual Director and CEO's remuneration for the financial year ended 31 December 2019 (in percentage terms) is set out below:

Directors	Salary	Bonus	Director's fees	Others	Total Remuneration
S$500,001 to S$750,000					
Mr Ong Boon Chuan[1]	92%	7%	–	1%	100%
Below S$250,000					
Mr Lui Seng Fatt	–	–	100%	–	100%
Dr Toh See Kiat	–	–	100%	–	100%
Mr Hor Siew Fu	–	–	100%	–	100%
Mr Ong Kai Hoe[2]	–	–	–	–	–

Notes:

1. Based on the audited financial statements for FY2019, no performance bonus would be paid to Mr Ong Boon Chuan. The bonus indicated in the table is the 13th month annual wage supplement.

2. Mr Ong Kai Hoe was not remunerated during FY2019 as he was appointed as a director of the Company on 18 March 2020.

The performance conditions used to determine the performance bonus of the Executive Director and key executives comprises qualitative and quantitative conditions. The performance conditions are set by the RC and the RC has reviewed and is satisfied that the performance condition of the Directors and key executives were met for the financial year ended 31 December 2019.

The Code also recommends the disclosure of at least the top 5 key executives who are not Directors or CEO, their names, amounts and breakdown of remuneration in bands no wider than S$250,000 and in aggregate the total remuneration paid to them. The Company only has 3 key executives during the financial year ended 31 December 2019 and it does not believe it to be in its best interests to disclose the identity and remuneration of its top 3 key executives, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities. Such disclosure may give rise to talent retention issues and would cause negative impact to the Company, if the key executives are poached.

Having considered several factors, the Group is of the view that in order to maintain confidentiality of the remuneration matters, the remuneration of the top 3 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 or the CEO) for FY2019 is set out below:

	Number of Key Executives
Below S$250,000	3

Corporate Governance

The remuneration of these key executives falls within the bands of below S$250,000 for that financial year.

Provision 8.2 of the Code: Remuneration disclosures of related employees

The remuneration paid to Mr Ong Kai Hian and Mr Ong Kai Hoe, who are sons of Mr Ong Boon Chuan (Executive Director, CEO and controlling shareholder of the Company) and Mdm Kok Lee Kuen (controlling shareholder of the Company) for the financial year ended 31 December 2019 is in bands of S$100,000 set out below:

Employees	Salary	Bonus	Others	Total Remuneration
S$100,001 to S$200,000				
Mr Ong Kai Hian	81%	6%	13%	100%
Mr Ong Kai Hoe	87%	–	13%	100%

Mr Ong Kai Hian is a director of a few subsidiaries of the Group for FY2019. Mr Ong Kai Hoe has ceased to be a director of the subsidiaries of the Group, with effect from 15 March 2019. The basis of determining the remuneration of Mr Ong Kai Hian and Mr Ong Kai Hoe is the same as the basis of determining the remuneration of the other key executives.

Save for Mr Ong Kai Hian and Mr Ong Kai Hoe, there were no other employees who were the immediate family members of a Director, CEO or substantial shareholder of the Company, and whose remuneration exceeded S$100,000 in FY2019.

The Executive Director and eligible employees are participants to options under the Share Option Scheme and Share Plan approved by shareholders on 21 November 2017. The Share Option Scheme and Share Plan provide opportunities for its participants who have contributed significantly to the growth and performance of the Company to participate in the equity of the Company, thereby aligning their interests with Shareholders.

Information on the Share Option Scheme and Share Plan such as size of grants, exercise price of options that were granted as well as outstanding and vesting period of options are set on pages 103 to 104 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 of the Code: Board determines the nature and extent of risks

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, information technology and sustainability risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, that there is proper maintenance of accounting records, that the financial information presented are reliable and that assets are safeguarded.

Corporate Governance

The internal auditors, Baker Tilly Consultancy (Singapore) Pte. Ltd., have conducted annual reviews of the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. No material internal control weaknesses had been raised by the internal auditors in the course of their audits for FY2019.

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 AC.

The Board, with the assistance of the AC and the internal and 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.

Provision 9.2 of the Code: Assurance from CEO, CFO and other key management personnel

Based on the reviews conducted, the Board, with the concurrence of the AC, 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 CEO and Financial Controller that the financial records as at 31 December 2019 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.

AUDIT COMMITTEE

Principle 10: The Board has an AC which discharges its duties objectively.

Provision 10.1 of the Code: Duties of AC
Provision 10.2 of the Code: Composition of AC
Provision 10.3 of the Code: AC does not comprise former partners or directors of the Company's auditing firm

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

Mr Hor Siew Fu	(Chairman)
Mr Lui Seng Fatt	(Member)
Dr Toh See Kiat	(Member)

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

The AC 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 AC on invitation.

Corporate Governance

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

a. To review the annual consolidated financial statements and the independent auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with relevant financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

b. To review the cooperation given by the Management to the external auditors;

c. To ensure that the internal audit function is adequately resourced and review the adequacy and effectiveness of the internal audit function as well as risk management systems at least annually;

d. To review the assurance received from the CEO and Financial Controller on the financial records and financial statements;

e. To review the cost effectiveness of the external audit, and where the external auditors provide non-audit services to the Company, to review the nature, extent and costs of such services and the independence and objectivity of the external auditors;

f. To review the periodic consolidated financial statements of the Group before submission to the Board for approval for release of the results announcement to the SGX-ST;

g. To recommend to the Board the appointment, re-appointment or removal of the external auditors and approve the remuneration and terms of engagement of the external auditors; and

h. To review all interested person transactions to ensure that each has been conducted on an arm's length basis.

A former partner or director of company's existing auditing firm or auditing corporation should not act as a member of the company's AC: (a) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC 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 and the independence and objectivity of the external auditors. It also examines 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.

In the selection of suitable audit firms, the AC 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 subsidiary corporations of the Company. The Group's significant subsidiary corporations 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.

The re-appointment of external auditors is subject to Shareholders' approval at the AGM of the Company.

Corporate Governance

The amount of fees paid/payable to Nexia TS Public Accounting Corporation, the external auditors for audit services for the financial year ended 31 December 2019 is S$67,000.

The AC also reviews all non-audit services provided by the external auditors to ensure that the provision of these services do not affect the independence of the auditors. For the financial year ended 31 December 2019, Nexia TS Public Accounting Corporation provided tax compliance services to the Company other than the audit services and the non-audit fees paid/payable to Nexia TS Public Accounting Corporation amounted to S$3,000. The AC is satisfied that provision of such services did not prejudice the independence and objectivity of the external auditors.

The Company has in place a whistle-blowing code and arrangements by which the staff and contractors (including vendors and service providers) 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 AC at siewfu.hor@edn.sg.

The AC oversees the administration of the whistle-blowing code. Periodic reports will be submitted to the AC 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 2019.

Provision 10.4 of the Code: Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The Company has outsourced the internal audit functions of the Group to Baker Tilly Consultancy (Singapore) Pte. Ltd.. The internal auditors will report directly to the AC. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. To ensure the adequacy and effectiveness of the internal audit function, the AC will review and approve the internal audit plan and assess the effectiveness of the internal audit by examining the scope of the internal auditor's work and its independence, the internal auditor's reports and its relationship with the external auditors on an annual basis. The AC will ensure that the internal auditors meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The AC is satisfied that the internal auditors have provided adequate staffing with relevant qualifications and experience to conduct the internal audits.

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC. Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and AC. Having considered the Company's business operations, the internal audit carried out by the internal auditors, the statutory audit by external auditors 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.

Provision 10.5 of the Code: AC meets with the auditors without the presence of Management annually

The AC endeavors to meet at least once a year with the external and internal auditors without the presence of the Management so that any concern and/or issue can be raised directly and privately.

With reference to the joint recommendations made by the Monetary Authority of Singapore, Accounting and Corporate Regulatory Authority and Singapore Exchange Securities Trading Limited, the audit committees of all Singapore-listed entities are encouraged to disclose their perspective and assessment on key audit matters (the "KAM"). The AC has considered the KAM presented by the external auditors together with the Management and concurred with the external auditors and Management on their assessment, judgements and estimates on the significant matters reported by the external auditors.

Corporate Governance

SHAREHOLDERS' RIGHTS AND ENGAGEMENT

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 of the Code: Company provides shareholders with the opportunity to participate effectively and vote at general meetings

The Company is mindful of its obligation to ensure that timely and adequate disclosure of matters which are of material impact to the Company, are made to the 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 its Shareholders on a half yearly basis.

Shareholders are given the opportunity to participate in and vote at general meetings in accordance with the voting rules and procedures, where the voting process is clearly explained by a representative from an independent scrutineer's firm appointed at the general meetings.

Provision 11.2 of the Code: Separate resolution on each substantially separate issue

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 number of votes cast for or against the resolutions are also announced after the meetings via SGXNET. 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 so as to form one significant proposal and only where there are reasons and material implication involved.

Provision 11.3 of the Code: All Directors attend general 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 Company's external auditors are also present at the AGM and are available to assist the directors in addressing any relevant queries by Shareholders relating to the conduct of audit and preparation and content of the auditor's report.

Provision 11.4 of the Code: Company's Constitution allow for absentia voting of shareholders

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. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies. 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.

Provision 11.5 of the Code: Minutes of general meeting are published on the Company's corporate website

The proceedings of annual general meeting and extraordinary general meeting (if any) are properly recorded, including all comments or queries raised by shareholders relating to the agenda of the meeting and responses from the Board and Management. The Company has decided not to publish minutes of general meetings of shareholders on its corporate website but the minutes are available to the shareholders upon their request.

Corporate Governance

Provision 11.6 of the Code: Dividend policy

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

To ensure that there are adequate resources and sufficient cash reserves for the Company's future use and new investment, the Board is not recommending any dividend for the financial year ended 31 December 2019.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 of the Code: Company provides avenues for communication between the Board and shareholders

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 its AGM, EGMs, group briefings and one-to-one meetings and discussions pertaining to the business's strategy, operational performance and business prospects. These platforms offer opportunities for senior management and directors to interact first-hand with shareholders, understand their views, gather feedback and address concerns.

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. The Board provides Shareholders with half yearly and annual financial results. Results for the half year are released to Shareholders within 45 days of end of the relevant financial period whilst annual results are released within 60 days from the financial year end. 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.

Other than the financial performance of the Group, shareholders are also 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.

Provision 12.2 and 12.3 of the Code: Company has in place an investor relations policy and the policy sets out mechanism of communication between the shareholders and the Company

The Company has in place an investor relations policy to promote effective communications with shareholders, investors and the investment community at large. The investor relations team works closely with the Management to look at investor relations matters. The Company can hold media meetings on significant events and post on Facebook media of significant events carried out by the Company or its subsidiary corporations. Shareholders and investors can also reach the investor relations team via info@edn.sg or telephoning (65) 64406633.

Corporate Governance

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 and 13.2 of the Code: Engagement with material stakeholder groups
Provision 13.3 of the Code: Corporate website to engage stakeholders

Stakeholders are those who are impacted by the Group's business and operations and those who are able to impact the Group's business and operations. The identified key stakeholders of the Group include suppliers, customers, employees, community, investors and regulators.

The Company regularly engages its stakeholders through various channels to ensure that the business interests are aligned with its stakeholders. Stakeholders of the Company will be able to communicate with the Company through the contact information provided in its corporate website.

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.

DEALINGS IN SECURITIES

The Company has adopted its own internal guide for dealings in the Company's securities by its Directors and employees. The Directors and employees of 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 employees 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 employees 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 AC.

The Group does not have a general shareholders mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

Corporate Governance

Disclosure according to Rule 907 of the Catalist Rules in respect of interested person transactions for the financial year ended 31 December 2019 is stated in the table below:

Name of interested person	**Nature of relationship**	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
		$'000	**$'000**
TG Management Pte. Ltd. Scope of services: corporate services including bookkeeping, HR and payroll, IT support, use of office space, utilities and other general corporate administrative activities rendered from 1 January 2019 to 30 June 2019	TG Management Pte. Ltd., a company owned by associates of Mr Ong Boon Chuan, a Director and Controlling Shareholder of Edition Ltd.	47	–
B&L Group Pte. Ltd. Scope of services: corporate services including bookkeeping, HR and payroll, IT support, use of office space, utilities and other general corporate administrative activities rendered from 1 July 2019 to 31 December 2019	B&L Group Pte.Ltd., a company owned by associates of Mr Ong Boon Chuan, a Director and Controlling Shareholder of Edition Ltd.	47	–
Thye Chuan Engineering Construction Co. Pte. Ltd. Scope of services: Supply of labour for construction and maintenance of greenhouse by MEOD Pte. Ltd.	Thye Chuan Engineering Construction Co. Pte. Ltd., a company owned by associates of Mr Ong Boon Chuan, a Director and Controlling Shareholder of Edition Ltd.	397	–
Letter of Award signed with MEOD Pte. Ltd. for temporary works on site preparations, workers quarters, container toilet, temporary hoarding for workers quarters, boundary hoarding and chain link fence on 6-Hectare site		179	–

Corporate Governance

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
		$'000	$'000
TC Logistics Hub Pte. Ltd. Scope of services: Rental of storage space at 7 Tuas South, Singapore by MEOD Pte. Ltd.	TC Logistics Hub Pte. Ltd., a company owned by associates of Mr Ong Boon Chuan, a Director and Controlling Shareholder of Edition Ltd.	4	–

As at 31 December 2019, the aggregate value of the transactions entered into with the same interested person amounted to $674,000 and this is less than 3% of the Group's latest audited net tangible assets.

MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiary corporations, involving the interest of any Director, CEO or controlling shareholder subsisting at the end of the financial year ended 31 December 2019, or if not then subsisting, entered into since the previous financial year.

NON-SPONSOR FEES

No non-sponsorship fees were paid to the Sponsor for the financial year ended 31 December 2019.

UTILISATION OF PROCEEDS

On 21 February 2014, the Company entered into a placement and call option agreement ("Placement") 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. The Placement raised S$6 million of net proceeds.

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 (the "Rights Issue"). The Rights Issue was completed on 8 July 2015 and the total proceeds from the Rights Issue were $21.39 million.

Corporate Governance

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

Placement

Description	Amount allocated ($ million)	Amount Utilised as at 31 December 2019 ($ million)	Balance ($ million)
Exploration of the property development business	5.4	(3.6)	1.8
General working capital*	0.6	(0.6)	–
Total	6.0	(4.2)	1.8

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 ($ million)	Amount reallocated as per the circular dated 6 November 2017 ($ million)	Revised allocation ($ million)	Amount Utilised as at 31 December 2019 ($ million)	Balance ($ million)
Exploration of the property development business	12.1	(8.2)	3.9	–	3.9
General corporate activities[1]	5.0	6.2	11.2	(8.4)	2.8
General working capital[2]	4.0	2.0	6.0	(4.0)	2.0
Total	21.1	–	21.1	(12.4)	8.7

Notes:

1. *General corporate activities mainly consist of funding for operation in Agricultural business segment.*

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, which was subsequently adjusted in the Circular dated 6 November 2017.

Financial Contents

Directors' Statement

For the Financial Year Ended 31 December 2019

The directors are pleased to present their statement to the members together with the audited financial statements of Edition Ltd. (the "Company") and its subsidiary corporations (collectively the "Group") for the financial year ended 31 December 2019 and the balance sheet of the Company as at 31 December 2019 and statement of changes in equity of the Company for the financial year then ended.

In the opinion of the directors,

(a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group 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 2019 and the financial performance, changes in equity and cash flows of the Group covered by the consolidated financial statements and changes in equity of the Company for the financial year ended on that date; 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:

Dr Toh See Kiat
Mr Ong Boon Chuan
Mr Lui Seng Fatt
Mr Hor Siew Fu
Mr Ong Kai Hoe (Appointed on 18 March 2020)

Arrangements to enable directors to acquire shares or 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 and share awards" in this statement.

Directors' interests in shares or debentures

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 31.12.2019	At 1.1.2019	**At 31.12.2019**	At 1.1.2019
Edition Ltd.				
(No. of ordinary shares)				
Mr Ong Boon Chuan	**–**	–	**2,156,703,100**	2,156,703,100
Immediate and ultimate holding corporation				
B&L Group Pte. Ltd.				
(No. of ordinary shares)				
Mr Ong Boon Chuan	**70**	70	**30**	30

Directors' Statement
For the Financial Year Ended 31 December 2019

Directors' interests in shares or debentures

According to the register of directors' shareholdings, a director holding office at the end of the financial year had interests in options ("Share Options") to subscribe for ordinary shares of the Company granted pursuant to the Edition Employee Share Option Scheme (the "Scheme") and interests in share awards ("Share Awards") granted pursuant to the Edition Performance Share Plan (the "Share Plan") as set out below.

	No. of unissued ordinary shares under Scheme and Share Plan	
	At 31.12.2019	At 1.1.2019
Mr Ong Boon Chuan		
Share Options	**27,221,417**	27,221,417
Share Awards	**6,805,354**	6,805,354

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

The directors' interests in the ordinary shares of the Company as at 21 January 2020 were the same as those as at 31 December 2019.

Share options and share awards

On 21 November 2017, the shareholders of the Company approved the adoption of the Scheme and the Share Plan to grant equity-based incentives to all its eligible employees. The maximum aggregate number of shares on which options may be granted under the Scheme and share awards may be granted under the Share Plan and any shares issuable under any other share-based incentive schemes or share plans, is 15% of the total issued equity shares of the Company excluding treasury shares and subsidiary holdings. In the event of a bonus issue, rights issue or a capital reconstruction, the number of options and awards and the exercise price would be adjusted in accordance with the formula stipulated in the Scheme and the Share Plan.

Edition Employee Share Option Scheme

On 18 December 2017, the Company granted a director and other key management personnel options to subscribe for 35,448,335 ordinary shares of the Company at an exercise price of $0.008 per share under the Scheme.

The exercise price of the options is determined as the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited ("Exchange") for five market days immediately preceding the date of the grant. The vesting of the options is conditional on the directors and key management personnel completing one year of service to the Group from the date of the grant. Once they have vested, the options are exercisable immediately and will expire after a period of ten years from date of grant. These options are exercisable from 18 December 2018 and expire on 17 December 2027. During the financial year, 4,113,459 options have been forfeited with the resignation of a key management personnel. As at 31 December 2019, 31,334,876 options remain outstanding and no options have been exercised during the financial year.

Directors' Statement

For the Financial Year Ended 31 December 2019

The details of the options granted are as follows:

	No. of unissued ordinary shares of the Company under the Scheme			
	Options granted in the financial year ended 31.12.2019	**Aggregate options granted since commencement to 31.12.2019**	**Aggregate options exercised since commencement to 31.12.2019**	**Aggregate options outstanding as at 31.12.2019**
Name of director				
Mr Ong Boon Chuan	–	27,221,417	–	27,221,417

Share options and share awards

Edition Performance Share Plan

On 18 December 2017, the Company granted a director and other key management personnel 8,862,084 awards, comprising of 8,862,084 shares under the Edition Performance Share Plan. With the resignation of a key management personnel in March 2019, 1,028,365 share awards granted to him on 18 December 2017 have been forfeited. As at 31 December 2019, the actual number of shares to be released could be zero or a maximum of 7,833,719, free of charge, depending on the achievement of pre-determined performance targets. No shares were vested and no new shares were awarded pursuant to the Edition Performance Share Plan during the financial year ended 31 December 2019.

The details of the shares granted are as follows:

	No. of unissued ordinary shares of the Company under the Share Plan			
	Shares granted in the financial year ended 31.12.2019	**Aggregate shares granted since commencement to 31.12.2019**	**Aggregate shares awarded since commencement to 31.12.2019**	**Aggregate shares outstanding as at 31.12.2019**
Name of director				
Mr Ong Boon Chuan	–	6,805,354	–	6,805,354

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

Directors' Statement
For the Financial Year Ended 31 December 2019

Audit committee

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

Mr Hor Siew Fu	(Chairman)
Mr Lui Seng Fatt	(Member)
Dr Toh See Kiat	(Member)

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

The Audit Committee has written terms of reference that are approved by the Board and clearly set out its responsibilities. The Audit Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act and the Code of Corporate Governance (the "Code"). The key terms of reference of the Audit Committee are as follows:

- To review the annual consolidated financial statements and the independent auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with relevant financial reporting standards, concerns and issues arising from their audits including any matters which the auditor may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

- To review the cooperation given by the Management to the independent auditor;

- To ensure that the internal audit function is adequately resourced and review the adequacy and effectiveness of the internal audit function at least annually;

- To review the assurance received from the CEO and Financial Controller on the financial records and financial statements;

- To review the cost effectiveness of the independent audit, and where the independent auditor provides non-audit services to the Company, to review the nature, extent and costs of such services and the independence and objectivity of the independent auditor;

- To review the periodic consolidated financial statements of the Group before submission to the Board for approval for release of the results announcement to the Exchange;

- To recommend to the Board the appointment, re-appointment or removal of the independent auditor and approve the remuneration and terms of engagement of the independent auditor; and

- To review all interested person transactions to ensure that each has been conducted on an arm's length basis.

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 2019

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	**Hor Siew Fu**
Director	Director

30 March 2020

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Edition Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Key Audit Matters

Key Audit Matter	How our audit addressed the audit matter
Impairment of land development rights Refer to Notes 3 (ii) and 17 to the financial statements. As at 31 December 2019, the Group has land development rights amounting to $1,137,000 (2018: $1,030,000), representing 48% (2018: 21%) and 6% (2018: 4%) of the total non-current assets and net assets of the Group, respectively. Land development rights are stated at cost less impairment. The Group engaged an independent professional valuer, Nasir, Sabaruddin & Associates Sdn Bhd ("valuer"), to assess the recoverable amount based on fair value less cost to sell of land development rights. We focused on this area because the determination of the recoverable amount for land development rights involves significant judgement in determining the appropriate valuation methodology to be used and in estimating the underlying assumption to be applied.	We have assessed the competency, capability and objectivity of the valuer. We also read the terms of engagement of the valuer with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. We considered the valuation methodology used with that applied by the valuer for similar assets and compared the valuer's underlying assumptions used to the recent land transaction prices within the same vicinity.

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Key Audit Matters

Key Audit Matter	How our audit addressed the audit matter
Impairment of property, plant and equipment Refer to Notes 3 (iii) and 13 to the financial statements. As at 31 December 2019, the net carrying amount of Group's property, plant and equipment derived from the agricultural and related product segment was \$63,000 (2018: \$2,709,000), representing 6% (2018: 71%) of the Group's property, plant and equipment. For the financial year ended 31 December 2019, the agricultural and related product segment recorded a loss before tax of \$5,318,000 (2018: \$2,269,000). Management had assessed whether there is any objective evidence or indication that the said assets may be impaired. There is increased risk of impairment as the development stage of the agricultural and related product segment has taken longer than initially projected. For the purpose of impairment assessment of the property, plant and equipment, the recoverable amount (i.e. the higher of fair value less cost to sell and value-in-use) is determined for the cash-generating unit ("CGU") to which the asset belongs. An impairment charge of \$3,159,000 was recognised for property, plant and equipment for the financial year ended 31 December 2019 as the estimated recoverable amount is lower than the carrying amounts of the property, plant and equipment. We focused on this area because the recoverable amount determined is based on cash flow projections prepared by management and highly dependent on management's expectations of future sales and estimated cost necessary to make the sale over the remaining useful life of the assets. Therefore, greater levels of audit efforts are required in respect of the assumptions and estimates used in deriving the recoverable amount of these property, plant and equipment.	We evaluated the reasonableness of management's estimate of gross margin by taking into consideration the CGU's past performance, management's plans and expectation of market developments in Singapore, as well as our understanding of the industry trends for agriculture. We have assessed the reasonableness of management's estimation on the recoverable amount of those property, plant and equipment. Our procedures included, but not limited to, reviewing the future cash flows projection prepared by management, which includes testing of the underlying assumptions of the calculation as well as the reasonableness of discount rate used. We evaluated management's sensitivity analysis on the recoverable amounts of the CGU. The sensitivity analysis involved assessing the impact to the recoverable amounts of the CGU when reasonable possible changes to the estimated gross margin, the weighted average growth rate and discount rate are made. We have reviewed management's disclosures in the consolidated financial statements.

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Key Audit Matters

Key Audit Matter	How our audit addressed the audit matter
Recoverability of other receivables Refer to Notes 3 (iv) and 11 to the financial statements. As at 31 December 2019, the Group has a significant and long outstanding receivable from non-related company amounting to $1,500,000, representing 45% of total trade and other receivables. This relates to a refundable deposit placed for a potential investment in a non-related company and was included in deposits. Out of the outstanding balance, $500,000 has been received subsequent to the financial year ended 31 December 2019 and the remaining will be settled in December 2020 based on the repayment plan agreed between the non-related company and the Group. Notwithstanding the repayment plan, this amount is guaranteed by a shareholder and director of the non-related company. In addition, the Group has another significant outstanding loan receivable (the "loan") from a non-related company amounting to approximately $1,703,000, representing 51% of the total trade and other receivables as at 31 December 2019. This loan represents the amount extended as part of the proposed acquisition by the Group of the 51% share capital of the non-related company. On 11 December 2018, the proposed acquisition had been terminated and the maturity of the loan has been extended to 11 June 2019 at an interest rate of 8% per annum. On 5 July 2019, the maturity date of the loan had been extended to 11 June 2020 at an interest rate of 12% per annum. In the event of debtor's default, this amount is secured by the Group's right to settlement for new fully paid-up ordinary shares representing 50% of the total enlarged issued share capital of the non-related company. The management has evaluated and concluded that there is no recoverability issue for the above balances and hence, no impairment was recognised as at 31 December 2019. We focused on this area because the assessment of recoverability of the significant outstanding receivables involves significant judgement of the debtors' ability to pay and the credit worthiness of the guarantor.	We assessed the recoverability of the outstanding receivables by checking to subsequent collections to-date and with reference to the financial capability and net worth of the respective debtors and the guarantor, on-going business relationship and the repayment plans agreed with the Group. In addition, we reviewed the sufficiency of the disclosures in relation to the significant and long outstanding receivables.

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report
To the Members of Edition Ltd.

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement director on the audit resulting in this independent auditor's report is Ross Yu Limjoco.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

30 March 2020

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000
Revenue	4	**111**	46
Other gains	5	**481**	295
Expenses:			
- Employee compensation	6	**(1,791)**	(2,139)
- Changes in inventories		**22**	8
- Purchases of inventories		**(134)**	(223)
- Rental expense on operating lease		**(53)**	(162)
- Amortisation and depreciation		**(552)**	(390)
- Professional fees		**(334)**	(262)
- Finance costs		**(13)**	(1)
- Other expenses		**(3,779)**	(393)
Total expenses		**(6,634)**	(3,562)
Loss before income tax	7	**(6,042)**	(3,221)
Income tax expense	8	**–**	–
Net loss for the financial year		**(6,042)**	(3,221)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on translation of financial statements of foreign subsidiary corporations		**(66)**	11
Total comprehensive loss for the financial year		**(6,108)**	(3,210)
Net loss attributable to:			
Equity holders of the Company		**(5,998)**	(2,766)
Non-controlling interests		**(44)**	(455)
		(6,042)	(3,221)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(6,064)**	(2,755)
Non-controlling interests		**(44)**	(455)
		(6,108)	(3,210)
Loss per share attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share	9	**(0.24)**	(0.11)

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

Balance Sheets
As at 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**13,572**	15,953
Trade and other receivables	11	**3,356**	3,591
Inventories	12	**37**	15
		16,965	19,559
Non-current assets			
Property, plant and equipment	13	**1,126**	3,789
Intangible assets	15	**120**	121
Land development rights	17	**1,137**	1,030
		2,383	4,940
Total assets		**19,348**	24,499
LIABILITIES			
Current liabilities			
Trade and other payables	18	**1,250**	567
Lease liabilities	14	**145**	–
Finance lease liabilities	19	**–**	21
		1,395	588
Non-current liabilities			
Lease liabilities	14	**184**	–
Finance lease liabilities	19	**–**	37
Provision	20	**44**	41
		228	78
Total liabilities		**1,623**	666
NET ASSETS		**17,725**	23,833
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	**43,079**	43,079
Treasury shares	21	**(1,236)**	(1,236)
Other reserves	22	**198**	264
Accumulated losses		**(24,316)**	(18,153)
		17,725	23,954
Non-controlling interests		**–**	(121)
Total equity		**17,725**	23,833

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

Balance Sheets

As at 31 December 2019

	Note	The Company 2019 $'000	2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**13,256**	15,460
Trade and other receivables	11	**14,972**	13,341
		28,228	28,801
Non-current assets			
Property, plant and equipment	13	**–**	*–
Intangible assets	15	**–**	1
Investments in subsidiary corporations	16	**2,058**	2,058
		2,058	2,059
Total assets		**30,286**	30,860
LIABILITY			
Current liability			
Trade and other payables	18	**221**	186
Total liability		**221**	186
NET ASSETS		**30,065**	30,674
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	**43,079**	43,079
Treasury shares	21	**(1,236)**	(1,236)
Other reserves	22	**269**	269
Accumulated losses		**(12,047)**	(11,438)
Total equity		**30,065**	30,674

* Amount less than $1,000

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2019

	Note	Share capital $'000	Treasury shares $'000	Other reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company →							
The Group									
2019									
Beginning of financial year		43,079	(1,236)	269	(5)	(18,153)	23,954	(121)	23,833
Total comprehensive loss for the financial year		–	–	–	(66)	(5,998)	(6,064)	(44)	(6,108)
Deemed acquisition of non-controlling interests without a change in control	16	–	–	–	–	(165)	(165)	165	–
End of financial year		**43,079**	**(1,236)**	**269**	**(71)**	**(24,316)**	**17,725**	**–**	**17,725**
2018									
Beginning of financial year		43,079	(1,236)	10	(16)	(14,048)	27,789	(1,106)	26,683
Total comprehensive income/(loss) for the financial year		–	–	–	11	(2,766)	(2,755)	(455)	(3,210)
Share-based payment	22	–	–	259	–	–	259	–	259
Deemed acquisition of non-controlling interests without a change in control	16	–	–	–	–	(1,339)	(1,339)	1,440	101
End of financial year		43,079	(1,236)	269	(5)	(18,153)	23,954	(121)	23,833

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

Statement of Changes in Equity

For the Financial Year Ended 31 December 2019

	Note	Share capital $'000	Treasury shares $'000	Other reserve $'000	Accumulated losses $'000	Total equity $'000
The Company						
2019						
Beginning of financial year		43,079	(1,236)	269	(11,438)	30,674
Total comprehensive loss for the financial year		–	–	–	(609)	(609)
End of financial year		**43,079**	**(1,236)**	**269**	**(12,047)**	**30,065**
2018						
Beginning of financial year		43,079	(1,236)	10	(9,599)	32,254
Total comprehensive loss for the financial year		–	–	–	(1,839)	(1,839)
Share-based payment	22	–	–	259	–	259
End of financial year		43,079	(1,236)	269	(11,438)	30,674

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000
Cash flows from operating activities			
Net loss before income tax		**(6,042)**	(3,221)
Adjustments for:			
- Amortisation and depreciation		**552**	390
- Interest income		**(422)**	(268)
- Finance costs		**13**	1
- Loss allowance		**48**	–
- Impairment loss on property, plant and equipment		**3,159**	–
- Share-based payment expenses		**–**	259
- Currency translation differences		**(60)**	29
Operating cash flows before working capital changes		**(2,752)**	(2,810)
Changes in working capital			
- Trade and other receivables		**187**	(1,709)
- Inventories		**(22)**	(8)
- Land development rights		**(115)**	(53)
- Trade and other payables		**683**	17
Cash used in operations		**(2,019)**	(4,563)
Interest received		**422**	268
Interest paid		**(10)**	(1)
Net cash used in operating activities		**(1,607)**	(4,296)
Cash flows from investing activities			
Additions to property, plant and equipment	A	**(636)**	(1,134)
Additions to intangible assets		**(1)**	(8)
Net cash used in investing activities		**(637)**	(1,142)
Cash flows from financing activity			
Repayment of finance lease liabilities representing cash flows used in financing activity		**(137)**	(4)
Net decrease in cash and cash equivalents		**(2,381)**	(5,442)
Cash and cash equivalents at beginning of financial year		**15,953**	21,395
Effects of currency translation on cash and cash equivalents		**–***	–
Cash and cash equivalents at end of financial year	10	**13,572**	15,953

* Amount less than $1,000

(A) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,044,000 (2018: $1,196,000) of which $408,000 (2018: $62,000) was financed by means of lease arrangement. Cash payment of $636,000 (2018: $1,134,000) was made to purchase property, plant and equipment.

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

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 and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00, Singapore 068898. The principal place of business is 78 Gilstead Road, Singapore 309116.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiary corporations are described in Note 16 to the financial statements.

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

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) 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 2019

On 1 January 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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 SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases:

Adoption of SFRS(I) 16 Leases

When the Group is the lessee

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.13.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.1 Basis of preparation

Adoption of SFRS(I) 16 Leases

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

(i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 Lease and SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

(ii) On a lease-by-lease basis, the Group has:

a. applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

b. relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;

c. accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;

d. excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and

e. used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 January 2019.

For leases previously classified as operating leases on 1 January 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the associated ROU assets were measured at the amount equal to lease liabilities as at 1 January 2019, accordingly, no adjustment has been made to accumulated losses.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(iii) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 January 2019 were determined as the carrying amount of the ROU assets and lease liabilities.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.1 Basis of preparation

Adoption of SFRS(I) 16 Leases

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2.56%.

	The Group $'000
Operating lease commitments as at 31 December 2018	472
Discounted using the group's incremental borrowing rate of 2.56%	451
Low-value leases liabilities during the year	9
Less: low-value leases recognised on a straight-line basis as expense	(9)
Present value of the remaining lease payments	451
Add: finance lease liabilities recognised as at 31 December 2018	14
Lease liabilities recognised as at 1 January 2019	465

2.2 Revenue recognition

(a) *Goods and services sold*

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.2 Revenue recognition

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 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 to direct the activities of 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, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.4 Group accounting

(a) Subsidiary corporations

(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.

(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" 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Leasehold land is 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.

(ii) *Other property, plant and equipment*

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.

(b) *Depreciation*

Depreciation is recognised as an expense in profit or loss on a straight-line basis over their estimated useful lives as follows:

	Useful lives
Leasehold land	20 years
Renovation	4 years
Office equipment, furniture and fixtures	3-4 years
Plant and machineries	10 years
Motor vehicles	5 years
Right-of-use assets	Earlier of the end of the useful life or the end of the lease term

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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.5 Property, plant and equipment

(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".

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) 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 (ii) the fair value of the identifiable assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

(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 3 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 Investments in subsidiary corporations

Investments in subsidiary corporations 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.8 Land development rights

Land development rights refer to rights to develop plots of land acquired in the ordinary course of business for future development.

Land development rights are carried at cost less impairment. Cost includes acquisition costs, capitalised borrowing costs and other cost directly attributable to the acquisition.

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.

Land development rights are capitalised as additional cost of the structure once the development commences.

2.9 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.

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) *Other non-financial assets*

Intangible assets, property, plant and equipment and investments in subsidiary corporations 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 cash generating unit ("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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.9 Impairment of non-financial assets

(b) Other non-financial assets

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 if, and 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.

2.10 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

– Amortised cost;
– Fair value through other comprehensive income (FVOCI); and
– Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.10 Financial assets

(a) Classification and measurement

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses". Dividends from equity investments are recognised in profit or loss as "dividend income".

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.10 Financial assets

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *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 debt instrument, 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.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 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.

2.12 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.13 Leases

(a) The accounting policy for leases before 1 January 2019 is as follows:

When the Group is the lessee

The Group leases motor vehicles under finance leases and land and office equipment under operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and machinery and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee - Operating leases

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 income in profit or loss when incurred.

(b) The accounting policy for leases from 1 January 2019 is as follows:

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.13 Leases

(b) The accounting policy for leases from 1 January 2019 is as follows:

When the Group is the lessee

(i) Right-of-use assets

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

– Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
– Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
– Amount expected to be payable under residual value guarantees - The exercise price of a purchase option if is reasonably certain to exercise the option; and
– Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

– There is a change in future lease payments arising from changes in an index or rate;
– There is a change in the Group's assessment of whether it will exercise an extension option; or
– There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.14 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 trading goods include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 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.

2.15 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, 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.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax assets is recognised for unused tax credits to the extent that is probable that future taxable profits will be available against which the unused tax credits can be utilised.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.16 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. Provisions are not recognised for future operating losses.

Provisions for asset dismantlement, removal or restoration 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 amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.17 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.

2.18 Employee compensation

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

(i) Defined contribution 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.

(ii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the “treasury shares” account, when treasury shares are re-issued to the employees.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.19 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.

2.20 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.

2.21 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 financial statements are presented in Singapore dollar ("$") which is functional currency of the Company.

(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.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation difference is reclassified to profit or loss, as part of the gain or loss on disposal.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. Significant accounting policies

2.21 Currency translation

(b) Transactions and balances

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.

(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.

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.

(i) 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. If the carrying amounts exceeds the recoverable amounts, an impairment loss is recognised to profit or loss for the differences.

The recoverable amount of goodwill has been determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets prepared by management covering a 5-year period. These calculations require the use of estimates for the projected gross margin, growth rate and discount rate which have been disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

3. Critical accounting estimates, assumptions and judgements

(i) Estimated impairment for goodwill

If the management's estimated discount rate applied to the discounted cash flows for this CGU had been raised by 1%, the impact on value-in-use calculation at 31 December 2019 will not materially cause the recoverable amount to be lower than the carrying amount of goodwill amounting to $114,000.

(ii) Impairment of land development rights

In performing the impairment assessment of the carrying amount of land development rights, the recoverable amount is determined using the fair value less cost to sell by reference to market prices of comparable land in close proximity at balance sheet date, after adjustments to differences in key attributes such as its location, size facilities, time element and others. The carrying amount of land development rights is disclosed in Note 17 to the financial statements.

If the recoverable amount of land development rights were lower by 10%, there would be no impact to the carrying amount for land development rights.

(iii) Impairment of property, plant and equipment

In performing the impairment assessment of the carrying amount of property, plant and equipment, the recoverable amounts are determined using value-in-use ("VIU") calculation. Significant judgements are used to estimate the gross margin, weighted average growth rates and the pre-tax discount rates applied in computing the recoverable amounts of the CGU to which the asset belongs. In making these estimates, management has relied on past performance, its expectation of market developments in Singapore and the industry trend for agriculture.

The recoverable amounts of these assets and, where applicable CGU, have been determined based on fair value less costs to sell and VIU. The carrying amounts of Group's property, plant and equipment as at 31 December 2019 are disclosed in Note 13.

An impairment charge of $3,159,000 was recognised for property, plant and equipment for the financial year ended 31 December 2019 as the estimated recoverable amount determined by management through VIU calculation amounting to $63,000 is lower than carrying amounts of certain property, plant and equipment amounting to $3,222,000. If the estimated recoverable amount of property, plant and equipment had been lower by 10%, the Group would have reduced the carrying amount of property, plant and equipment by $6,000.

(iv) Impairment of other receivables

Included in the Group's trade and other receivables are significant long outstanding deposit from a non-related company amounting to $1,500,000, representing 45% of total trade and other receivables and significant outstanding loan receivable ("loan") from a non-related company amounting to $1,703,000, representing 51% of the total trade and other receivables as at 31 December 2019. To determine whether a credit loss provision should be recognised in profit or loss, the Group makes judgements on concluding on the credit worthiness and classification of the receivables through various factors which may include, amongst others, prevailing industry trends relevant to the receivables, macroeconomic factors, financial health and forecasts, and collateral valuation and validity.

The management has evaluated and concluded that there is no recoverability issue for the above balances and hence, no impairment was recognised as at 31 December 2019.

The carrying amount of trade and other receivables are disclosed in Note 11 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

3. Critical accounting estimates, assumptions and judgements

(v) Impairment of investments in subsidiary corporations

Determining whether the investments in subsidiary corporations are impaired requires an estimation of the recoverable amount of these investments. During the financial year, the management has evaluated the recoverability of the investments in subsidiary corporations and no impairment loss was recognised (2018: $1,000,000).

The carrying amount of the investments in subsidiary corporations are disclosed in Note 16 to the financial statements.

4. Revenue

	The Group	
	2019	2018
	$'000	$'000
Sales of goods – Point in time	**111**	46

5. Other gains

	The Group	
	2019	2018
	$'000	$'000
Interest income on bank deposits	**244**	200
Interest income on loan to non-related company	**178**	68
Others	**59**	27
	481	295

6. Employee compensation

	The Group	
	2019	2018
	$'000	$'000
Salaries, wages and bonuses	**1,706**	1,768
Employer's contribution to defined contribution plans	**85**	112
Share-based payment expense (Note 22(b)(i))	**–**	259
	1,791	2,139

Key management remuneration is disclosed in Note 23(b).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

7. Loss before income tax

The following items have been included in arriving at loss before income tax:

	The Group	
	2019	2018
	$'000	$'000
Fees on audit services paid/payable to		
- Auditor of the Company	**67**	67
- Other auditor	**3**	3
Amortisation of intangible assets	**3**	3
Depreciation of property, plant and equipment	**549**	387
Impairment loss on property, plant and equipment	**3,159**	–
Directors' fee	**81**	114
Management fee	**94**	94

8. Income taxes

(a) Income tax expense

There is no income tax expense as the Group did not derive any taxable profit for the financial year.

The income 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:

	The Group	
	2019	2018
	$'000	$'000
Loss before income tax	**(6,042)**	(3,221)
Tax calculated at tax rate of 17% (2018: 17%)	**(1,027)**	(548)
Effect of:		
- different tax rate in foreign jurisdictions	**(4)**	(4)
- expenses not deductible for tax purposes	**675**	362
- income not subject to tax	**–**	(69)
- deferred tax assets not recognised	**356**	291
- utilisation of deferred tax assets not recognised in prior years	**–**	(32)
	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

8. Income taxes

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

	Before tax $'000	Tax charge $'000	After tax $'000
The Group			
2019			
Currency translation differences arising from consolidation	**(66)**	**–**	**(66)**
Other comprehensive loss	**(66)**	**–**	**(66)**
2018			
Currency translation differences arising from consolidation	11	–	11
Other comprehensive income	11	–	11

(c) As at 31 December 2019, the Company and certain subsidiary corporations of the Group have potential tax benefits of approximately $7,334,000 (2018: $5,238,000) arising from unutilised tax losses 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.

9. 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 less outstanding treasury shares during the financial year.

	The Group 2019	2018
Net loss attributable to equity holders of the Company ($'000)	**(5,998)**	(2,766)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**2,510,924**	2,510,924
Basic and diluted loss per share (cents)	**(0.24)**	(0.11)

There are no dilutive potential ordinary shares during the financial year ended 31 December 2019 and 2018.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

10. Cash and cash equivalents

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**929**	1,044	**613**	551
Short-term bank deposits	**12,643**	14,909	**12,643**	14,909
	13,572	15,953	**13,256**	15,460

11. Trade and other receivables

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**89**	74	**–**	–
Less: Loss allowance (Note 24(b))	**(48)**	–	**–**	–
	41	74	**–**	–
Other receivables				
Subsidiary corporations	**–**	–	**11,758**	10,114
- Non-related companies (Note A)	**1,703**	1,733	**1,703**	1,727
Prepayments	**17**	3	**11**	–
Deposits (Note B)	**1,595**	1,781	**1,500**	1,500
	3,356	3,591	**14,972**	13,341

As at 31 December 2019, the balance of the amount due from subsidiary corporations is unsecured, interest free and is repayable on demand. As at 31 December 2018, included in the amount due from subsidiary corporations was an amount of approximately $6,268,000 which was unsecured and bearing interest of 10% per annum and was repayable on demand. The remaining balance of approximately $3,846,000 of the amount due from subsidiary corporations was unsecured, interest free and was repayable on demand.

Note A

In June 2018, the Company entered into a Binding Memorandum of Understanding ("MOU") with a non-related company to acquire 51% equity interest in a non-related company. As part of the proposed acquisition, the Company extended a bridging loan of $1,000,000 to the non-related company at an interest rate of 8% per annum. On 10 August 2018, the Company entered into a supplemental loan agreement to extend an additional loan of $687,500 at an interest rate of 8% per annum resulting in aggregate sum of the loan of $1,687,500 (the "loan"). In December 2018, the MOU had been terminated and the maturity of the loan has been extended to 11 June 2019.

On 5 July 2019, the maturity date of the loan had been extended to 11 June 2020 at an interest rate of 12% per annum. As at 31 December 2019, the Company's outstanding loan receivable (including accrued interest) amounted to approximately $1,703,000.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

11. Trade and other receivables

Note A

In the event the non-related company fails to repay the loan and interest, the Company has the right to settlement for new fully paid-up ordinary shares representing 50% of the total enlarged issued share capital of the non-related company. Management is of the view that no impairment is required as the amount is not yet due as at 31 December 2019 and the non-related company has not defaulted any monthly interest payments on the loan.

Note B

Deposits includes an amount of a refundable deposit placed for a potential investment in a non-related company amounted to $1,500,000 (2018: $1,500,000). Out of the outstanding balance, $500,000 has been received subsequent to the year ended 31 December 2019 and the remaining will be settled in December 2020 based on the repayment plan agreed between the non-related company and the Group. Notwithstanding the repayment plan, the said refundable deposit amount is guaranteed by a major shareholder and a director of the non-related company. Management is of the view that no impairment is required as the remaining outstanding amount is guaranteed.

12. Inventories

	The Group	
	2019	2018
	$'000	$'000
Trading goods	**37**	15

The cost of inventories recognised as an expense and included in the consolidated statement of comprehensive income amounted to $112,000 (2018: $215,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

13. Property, plant and equipment

	Leasehold land	Renovation	Office equipment furniture and fixtures	Plant and machinery	Motor vehicle	Construction in progress	Right-of-use assets (Note 14)	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
<u>**The Group**</u>								
2019								
Cost								
Beginning of financial year	886	73	70	3,233	69	154	–	4,485
Recognition of right-of-use assets on initial application of SFRS(I) 16	–	–	–	–	–	–	408	408
Additions	–	–	4	592	–	40	–	636
End of financial year	886	73	74	3,825	69	194	408	5,529
Accumulated depreciation and impairment losses								
Beginning of financial year	30	73	66	524	3	–	–	696
Currency translation difference	–	–*	–*	–	–	–	–	–*
Impairment loss	–	–	–	2,876	–	–	283	3,159
Depreciation charge	44	–	3	367	14	–	120	548
End of financial year	74	73	69	3,767	17	–	403	4,403
Net carrying value								
End of financial year	**812**	**–**	**5**	**58**	**52**	**194**	**5**	**1,126**

* Amount less than $1,000

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

13. Property, plant and equipment

	Leasehold land	Renovation	Office equipment furniture and fixtures	Plant and machinery	Motor vehicle	Construction in progress	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
<u>The Group</u>							
2018							
Cost							
Beginning of financial year	–	73	66	3,094	–	56	3,289
Additions	886	–	4	83	69	154	1,196
Transfer	–	–	–	56	–	(56)	–
End of financial year	886	73	70	3,233	69	154	4,485
Accumulated depreciation							
Beginning of financial year	–	47	42	206	–	–	295
Currency translation difference	–	7	7	–	–	–	14
Depreciation charge	30	19	17	318	3	–	387
End of financial year	30	73	66	524	3	–	696
Net carrying value							
End of financial year	**856**	**–**	**4**	**2,709**	**66**	**154**	**3,789**

The motor vehicle was acquired under finance lease agreements with the net carrying amount of $52,000 (2018: $66,000).

During the financial year ended 31 December 2019, impairment charge of $3,159,000 was recognised for property, plant and equipment as the carrying amounts exceeded the estimated recoverable amount based on VIU calculation determined by the management. The recoverable amount of the relevant assets was based on its VIU calculation using cash flow projections. The pre-tax discount rate applied to the cash flow projections is 9.7%.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

13. Property, plant and equipment

	Office equipment, furniture and fixtures	
	2019	2018
	$'000	$'000
The Company		
Cost		
Beginning and end of financial year	**12**	12
Accumulated depreciation		
Beginning of financial year	**12**	9
Depreciation charge	**–**	3
End of financial year	**12**	12
Net carrying value		
Beginning of financial year	–*	3
End of financial year	**–**	–*

* Amount less than $1,000

14. Right-of-use assets

The Group leases motor vehicles and land for agricultural operations.

Lease terms are negotiated on an individual basis and contains a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(a) Amounts recognised in the balance sheet

	The Group 2019
	$'000
Right-of-use assets	
Land	5
Motor vehicles	–*
	5
Lease liabilities	
Current	145
Non-current	184
	329

* Amount less than $1,000

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

14. Right-of-use assets

(a) Amounts recognised in the balance sheet

The fair value of non-current lease liabilities approximates its carrying amounts.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

			Non-cash changes		
	1 January 2019 $'000	**Principal and interest payment $'000**	**Acquisition $'000**	**Non-cash interest expense $'000**	**31 December 2019 $'000**
Lease liabilities	**58**	**(147)**	**408**	**10**	**329**

(b) Amounts recognised in profit or loss

	The Group 2019 $'000
Depreciation of right-of-use assets	
Land	115
Motor vehicles	5
	120
Impairment of right-of-use assets	
Land	273
Motor vehicles	10
	283
Lease liabilities	
Interest expense (included in finance costs)	10
Expenses relating to:	
- Low-value leases ("included in rental expenses")	6

(c) Total cash outflow for leases in 2019 is $147,000.

(d) Future cash outflow which are not capitalised in lease liabilities

(i) Variable lease payments

The above-mentioned leases have no variable lease payments.

(ii) Extension options

The leases for motor vehicles and land contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

15. Intangible assets

	Goodwill $'000	Software $'000	Total $'000
The Group			
2019			
Cost			
Beginning of financial year	114	16	130
Additions	–	1	1
End of financial year	114	17	131
Accumulated amortisation			
Beginning of financial year	–	9	9
Amortisation charge	–	2	2
End of financial year	–	11	11
Net carrying value			
End of financial year	**114**	**6**	**120**
2018			
Cost			
Beginning of financial year	114	8	122
Additions	–	8	8
End of financial year	114	16	130
Accumulated amortisation			
Beginning of financial year	–	6	6
Amortisation charge	–	3	3
End of financial year	–	9	9
Net carrying value			
End of financial year	114	7	121

	Software	
	2019 $'000	2018 $'000
The Company		
Cost		
Beginning and end of financial year	8	8
Accumulated amortisation		
Beginning of financial year	7	6
Amortisation charge	1	1
End of financial year	8	7
Net carrying value		
Beginning of financial year	1	2
End of financial year	–	1

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

15. Intangible assets

Goodwill

The goodwill arose from the acquisition of a subsidiary corporation, MEOD Pte. Ltd. ("MEOD") in financial year ended 31 December 2016 and was attributable to the 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 businesses focused 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	
	2019	2018
	$'000	$'000
Singapore	**114**	114

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 five-year period using the growth rates based on projected performances and its expectations on market development. These assumptions were used for the analysis of the CGU within the business segment.

A terminal growth rate of 1.5% (2018: 2.7%) was extrapolated on cash flows after the fifth year. The discount rate applied was 16% (2018: 17%) taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No impairment charge was recognised as the carrying amount of the goodwill was lower than its recoverable amount. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount. The discount rate used was pre-tax and reflected specific risks relating to the relevant segments.

The impairment test carried out as at 31 December 2019 for the above CGU indicated that the recoverable amount is higher than the carrying amount. Increase in discount rate by 13% (2018: 16%) would result in the recoverable amount of CGU being equal to its carrying amount.

16. Investments in subsidiary corporations

	The Company	
	2019	2018
	$'000	$'000
Unquoted equity investments at cost		
Beginning of financial year	**2,058**	1,051
Additions	**–***	2,007
Allowance for impairment	**–**	(1,000)
End of financial year	**2,058**	2,058

* Amount less than $1,000

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

16. Investments in subsidiary corporations

Movement in allowance for impairment loss on investments in subsidiary corporations is as follows:

	The Company	
	2019	2018
	$'000	$'000
Beginning of financial year	**1,000**	–
Impairment charge	**–**	1,000
End of financial year	**1,000**	1,000

Details of the subsidiary corporations are as follows:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2019	2018	2019	2018	2019	2018
			%	%	%	%	%	%
Held by the Company								
Edition Development Pte. Ltd.[(1)]	Investment holding and project management	Singapore	100	100	100	100	–	–
MEOD Pte. Ltd. [(1)]	Agricultural and related business	Singapore	100[(6)]	95	100	95	–	5
Held by Edition Development Pte. Ltd.								
Edition Global Pte. Ltd.[(1)]	Investment holding	Singapore	–	–	100	100	–	–
Held by Edition Global Pte. Ltd.								
Edition MY Sdn. Bhd.[(2),(4)]	Investment holding and project management	Malaysia	–	–	100	100	–	–
Edition (Shanghai) Investment Management Consulting Co., Ltd. [(3)]	Dormant	The People's Republic of China	–	–	100	100	–	–
Held by Edition MY Sdn. Bhd.								
Edition Cemerlang Sdn. Bhd. [(2),(4)]	Property development	Malaysia	–	–	100	100	–	–
Edition Tunjong Sdn. Bhd.[(2),(5)]	Dormant	Malaysia	–	–	100	100	–	–

(1) Audited by Nexia TS Public Accounting Corporation, Singapore
(2) For the purpose of preparing the consolidated financial statements, these financial statements have been audited by Nexia TS Public Accounting Corporation, Singapore
(3) Not required to be audited under the laws of the country of incorporation
(4) Audited by Ramli & Co, Malaysia
(5) Applied to be struck-off during the financial year ended 31 December 2019
(6) With effect from 7 June 2019

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

16. Investments in subsidiary corporations

In accordance to Rule 716 of the Catalist 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.

Acquisition of additional interest in a subsidiary corporation

On 4 June 2018, the Company converted in full all its loans and accrued interest amounting to $2,007,000 into new ordinary shares of MEOD Pte. Ltd. ("MEOD"). Consequently, the Company's equity interest in MEOD was increased by 44% to 95% as at 31 December 2018. On the same date, MEOD has allotted 101,000 new ordinary shares of MEOD to the non-controlling interests ("NCI") by capitalising certain of the amount owing by MEOD to the NCI.

On 7 June 2019, the Company acquired 1,059,000 existing ordinary shares in MEOD representing 5% of the issued share capital of MEOD at a consideration of $1 from the NCI, thereby raising the Company's shareholdings in MEOD to 100%.

The effect of changes in the ownership interest in MEOD on the equity attributable to owners of the Company is summarised as follows:

	2019	2018
	$'000	$'000
Issuance of new shares in subsidiary corporation to NCI	**–**	101
Increase in equity attributable to NCI	**(165)**	(1,440)
Decrease in equity attributable to equity holders of the Company	**(165)**	(1,339)

Carrying value of non-controlling interests

	The Group	
	2019	2018
	$'000	$'000
MEOD	**–**	(121)

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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

16. Investments in subsidiary corporations

Summarised balance sheet of MEOD as at 31 December 2018

	2018
	$'000
Current	
Assets	576
Liabilities	(6,750)
Total current net liabilities	(6,174)
Non-current	
Assets	3,795
Liabilities	(41)
Total non-current net assets	3,754
Net liabilities	(2,420)

Summarised income statement of MEOD for the financial year ended 31 December 2018

	2018
	$'000
Revenue	46
Loss before income tax	(2,269)
Income tax expense	–
Loss after income tax, representing total comprehensive loss	(2,269)
Total comprehensive loss allocated to non-controlling interests	(455)

Summarised cash flows of MEOD for the financial year ended 31 December 2018

	2018
	$'000
Net cash used in operating activities	(711)
Net cash used in investing activities	(1,141)
Net cash generated from financing activities	2,079
Net increase in cash and cash equivalents	227
Cash and cash equivalents at beginning of financial year	1
Cash and cash equivalents at end of financial year	228

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

17. Land development rights

	The Group	
	2019	2018
	$'000	$'000
Beginning of financial year	**1,030**	981
Additions	**115**	53
Currency translation differences	**(8)**	(4)
End of financial year	**1,137**	1,030

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

Additions in 2019 and 2018 refer to professional fees and submission fees incurred in relation to regulatory compliances for the development.

On 17 June 2019, the Group obtained an approval on the building plan from local authorities.

18. Trade and other payables

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade payables to non-related parties	**140**	80	**–**	–
Accrued operating expenses	**280**	232	**203**	186
Other payables:				
- non-related parties	**85**	1	**14**	–
- related parties	**745**	254	**4**	–
	1,250	567	**221**	186

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. Finance lease liabilities

Finance lease liabilities were reclassified to lease liabilities on 1 January 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.1.

	The Group	
	Minimum lease payments	**Present value of minimum lease payment**
	2018	2018
	$'000	$'000
Within one year	23	21
Within two to five years	39	37
	62	58
Less: Future finance charges	(4)	N/A
Present value of leases	58	58
Less: Amount due for settlement within 12 months (shown under current liabilities)		(21)
Amount due for settlement after 12 months (shown under non-current liabilities)		37

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	1 January 2018	Principal and interest payment	Non-cash changes: Acquisition	Non-cash changes: Non-cash interest expense	31 December 2018
	$'000	$'000	$'000	$'000	$'000
Finance lease liabilities	–	(5)	62	1	58

The Group enters into finance leasing arrangement for its motor vehicle. The net carrying value of motor vehicle acquired under finance lease agreements is disclosed in Note 13 to the financial statements.

The weighted average effective interest rates for the finance lease is 2.99% per annum.

The fair value of non-current lease liabilities approximates its carrying amounts.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. Provision

Dismantlement, removal or restoration of property, plant and equipment.

The Group leases a farm land from a non-related party to build a greenhouse. A provision is recognised for the present value of costs to be incurred for the restoration of the farm land to original state after the lease term.

The movements in this provision are as follows:

	The Group	
	2019	2018
	$'000	$'000
Beginning of financial year	**41**	41
Amortisation of discount	**3**	–
End of financial year	**44**	41

21. Share capital and treasury shares

	The Group and the Company			
	Number of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	$'000	$'000
2019				
Beginning and end of financial year	**2,523,298**	**(12,374)**	**43,079**	**(1,236)**
2018				
Beginning and end of financial year	2,523,298	(12,374)	43,079	(1,236)

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.

(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 $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 result 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 $0.01796 for each share (the "Adjustment Call Option Shares"). As at 31 December 2018, all 350,755,370 Adjustment Call Option Shares have lapsed due to the expiry of option.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

21. Share capital and treasury shares

(a) Call options

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.

(b) Edition Employee Share Option Scheme (the "Scheme")

On 18 December 2017, the Company granted a director and other key management personnel options to subscribe for 35,448,335 ordinary shares of the Company at an exercise price of $0.008 per share under the Scheme, which was approved by the shareholders on 21 November 2017.

The exercise price of the options is determined as the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. The vesting of the options is conditional on the directors and key management personnel completing one year of service to the Group from the date of the grant. Once they have vested, the options are exercisable immediately and will expire after a period of ten years from date of grant. These options are exercisable from 18 December 2018 and expire on 17 December 2027. During the financial year, 4,113,459 options have been forfeited. As at 31 December 2019, all options have vested and no options were exercised.

The fair value of the options granted was estimated to be $269,000, using the Black-Scholes Option Pricing model. The significant inputs into the model were share price of $0.008 at the grant date, exercise price of $0.008, dividend yield of 0%, expected life of 8 years and risk-free interest rate of 2.13%. The volatility of 264% is measured as the standard deviation of continuously compounded daily returns over a 1-year period.

The fair value of the options was recognised in the financial year ended 31 December 2018.

Movements in the number of unissued ordinary shares under the Scheme and their exercise prices are as follows:

	No. of ordinary shares under option						
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Exercised during financial year	End of financial year	Exercise price	Exercise period
2019							
The Scheme	35,448,335	–	(4,113,459)	–	31,334,876	$0.008	18.12.2018 to 17.12.2027
2018							
The Scheme	35,448,335	–	–	–	35,448,335	$0.008	18.12.2018 to 17.12.2027

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

21. Share capital and treasury shares

(c) Edition Performance Share Plan (the "Share Plan")

On 18 December 2017, the Company granted certain directors and other key management personnel 8,862,084 share awards, comprising of 8,862,084 shares under the Share Plan, which was approved by the shareholders on 21 November 2017. The actual number of shares to be released could be zero or a maximum of 7,833,719, free of charge, depending on the achievement of pre-determined performance targets. No shares were vested, no new shares were awarded and 1,028,365 shares were forfeited pursuant to the Edition Performance Share Plan during the financial year ended 31 December 2019.

Movements in the number of unissued ordinary shares under the Share Plan are as follows:

	The Group and The Company	
	2019	2018
	'000	'000
Beginning of financial year	**8,862**	8,862
Forfeited during the financial year	**(1,028)**	–
End of financial year	**7,834**	8,862

22. Other reserves

(a) Composition:

	The Group		**The Company**	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
(i) Share-based payment reserve	**269**	269	**269**	269
(ii) Currency translation reserve	**(71)**	(5)	**–**	–
	198	264	**269**	269

(b) Movements:

	The Group		**The Company**	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
(i) Share-based payment reserve				
Beginning of financial year	**269**	10	**269**	10
Share-based payment (Note 6)	**–**	259	**–**	259
End of financial year	**269**	269	**269**	269
(ii) Currency translation reserve				
Beginning of financial year	**(5)**	(16)	**–**	–
Net currency translation (losses)/ gains arising from consolidation	**(66)**	11	**–**	–
End of financial year	**(71)**	(5)	**–**	–

Other reserves are non-distributable.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

23. 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*

	The Group	
	2019	2018
	$'000	$'000
Short term lease of storage space	**4**	–
Provision of services by related party	**397**	163
Management fees paid to related party	**94**	94

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 remuneration*

	The Group	
	2019	2018
	$'000	$'000
Salaries, wages and bonus	**607**	617
Employer's contribution to defined contribution plans	**24**	24
	631	641

The above represents total compensation to directors and key management personnel of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital 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 Singapore and Malaysia. 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 mainly denominated in United States Dollar ("USD"). 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.

The Group's and the Company's currency exposure to the USD at 31 December 2019 and 2018 is as follows:

	USD $'000
The Group and the Company	
At 31 December 2019	
Financial asset	
Cash and cash equivalents	**27**
Net currency exposure	**27**
At 31 December 2018	
Financial asset	
Cash and cash equivalents	27
Net currency exposure	27

Sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss is considered not significant if USD strengthened/weakened against the SGD by 3% (2018: 3%) with all other variables including tax rate being held constant.

(ii) Price risk

The Group is not exposed to equity price risk as it does not hold any equity financial assets.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. Financial risk management

(a) Market risk

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from short term bank deposits and current and non-current finance lease / lease liabilities.

The Company does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

The effective interest rates for short-term bank deposits ranges from 1.6% to 1.9% per annum (2018: 1.2% to 1.8% per annum). As at 31 December 2019, if the interest rates had been 50 (2018: 50) basis points higher/lower with all other variables held constant, the Group's loss before tax would have been $63,000 (2018: $74,000) higher/lower, arising mainly as a result of higher/lower interest income/expenses on floating rate short term bank deposits and fixed rate finance lease / lease liabilities. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Credit risk

Credit risk refers to the risk that a 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 short-term bank deposits and trade and other 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 including other receivables and short-term bank deposits, 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.

The trade and other receivables of the Group comprise two debtors (2018: two debtors) that represented 95% (2018: 90%) of trade and other receivables. The credit risk for trade and other receivables (excluding prepayment) based on the information provided to key management is as follows:

	The Group	
	2019	2018
	$'000	$'000
By geographical areas		
Singapore	**1,609**	1,828
Malaysia	**27**	19
Israel	**1,703**	1,741
	3,339	3,588
By type of customers		
- Non-related parties	**3,339**	3,588
	3,339	3,588

The Group and the Company have no significant credit risk exposure in relation to the trade and other receivables, except as disclosed in Note 3 (iv) and 11 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. Financial risk management

(b) Credit risk

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. The Group has therefore concluded that the expected loss rates for trade receivables are reasonable.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers and receivables to settle the receivables.

The following table provides information about the exposure to credit risk and expected credit losses ("ECLs") for current trade receivables for customers as at 31 December 2019:

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	$'000	$'000	
The Group				
31 December 2019				
Past due over 6 months	82.0	**58**	48	Yes
31 December 2018				
Past due over 6 months	0.0	74	–	No

Movement of credit loss allowance:

	The Group	
	2019	2018
	$'000	$'000
Beginning of financial year	**–**	–
Loss allowance recognised in profit or loss	**48**	–
End of financial year	**48**	–

Other receivables

The Group held other receivables from non-related companies of $3,298,000 (2018: $3,514,000). These balances are loans and refundable deposit extended and paid to non-related companies for potential investments. The Group uses a general approach for assessment of ECLs for these other receivables.

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Group does not expect any allowance on these balances as the management is of the view that the balances are neither past due and/or impaired. Moreover, the balances are secured and guaranteed as disclosed in Note 11 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. Financial risk management

(b) Credit risk

Non-trade amounts due from subsidiary corporations

The Company held non-trade amounts due from its subsidiary corporations of $11,700,000 (2018: $10,114,000). These balances are amounts lent to subsidiary corporations to satisfy short term funding requirements and provided under the overall group treasury. The Company uses a similar approach for assessment of ECLs for these receivables to those used for trade and other receivables.

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Group has sufficient financial assets to meet the cash flow needs of the Group. The amount of the allowance on these balances is insignificant.

(c) Liquidity risk

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

	Less than 1 year $'000	**Between 1 and 2 years $'000**	**Between 3 and 5 years $'000**
The Group			
At 31 December 2019			
Lease liabilities	**145**	**184**	**–**
Trade and other payables	**1,250**	**–**	**–**
At 31 December 2018			
Lease liabilities	21	21	16
Trade and other payables	567	–	–
The Company			
At 31 December 2019			
Trade and other payables	**221**	**–**	**–**
At 31 December 2018			
Trade and other payables	186	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. Financial risk management

(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.

The Group and the Company have no significant capital risks as the Group and the Company have sufficient funds for its current operations and future investments.

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2019 and 2018.

(e) Fair value measurement

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.

Fair value information for financial assets and financial liabilities not measured at fair value has not been presented as the carrying amount is a reasonable approximation of fair value due to the short-term nature to maturity.

(f) Financial instruments by category

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

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Financial assets, at amortised cost	**16,911**	19,541	**28,228**	28,801
Financial liabilities at amortised cost	**1,579**	625	**221**	186

25. 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 Singapore and Malaysia. From a business segment perspective, management separately considers the agriculture business in Singapore and property development in 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.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

25. Segment information

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

	Singapore All other segments	
	2019	2018
	$'000	$'000
<u>**The Group**</u>		
Revenue		
- External parties	111	46
Segment results, representing loss before income tax	(6,042)	(3,221)
Net loss include:		
- Amortisation and depreciation	(552)	(390)
- Interest income	422	268
Segment assets	19,348	24,499
Segment assets include:		
Additions to:		
- Property, plant and equipment	1,044	1,196
- Intangible assets	1	8
- Land development rights	115	53
Segment liabilities	1,623	666

Geographical information

	Revenue	
	2019	2018
	$'000	$'000
Singapore	111	46

	Non-current assets	
	2019	2018
	$'000	$'000
Singapore	1,246	3,910
Outside Singapore	1,137	1,030
	2,383	4,940

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

26. New or revised accounting standards and interpretations

Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term ‘outputs’ is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a ‘concentration test’ that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

27. Contingent liabilities

The Company provides financial support to certain subsidiary corporations in the Group with capital deficiency and net current liabilities position as at 31 December 2019 to operate as going concern and to meet its liabilities as and when they fall due.

28. Commitment

Capital expenditures contracted for with a related party at the balance sheet date but not recognised in the financial statements is as follows:

	The Group	
	2019	2018
	$’000	$’000
Property, plant and equipment	**179**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

29. Events occurring after balance sheet date

The emergence of coronavirus disease ("COVID-19") since early 2020 has brought about uncertainties to the Group's operating environment and has impacted the Group's financial position subsequent to the financial year end.

The Group will stay alert on the development and situation of the COVID-19, continuing to assess its impact on the financial position and operating results of the Group and take necessary action to maintain stability of the business. Up to the date of this report, given the dynamic nature of these circumstances, the impact on the Group's consolidated results of operations, cash flows and financial condition could not be reasonably estimated.

30. 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 30 March 2020.

Appendix I

APPENDIX I DATED 15 APRIL 2020

This appendix (the "**Appendix**") is prepared by Edition Ltd. (the "**Company**"), together with the Company's annual report for the financial year ended 31 December 2019. The purpose of this Appendix is to provide Shareholders (as defined herein) with the relevant information relating to, and to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate (as defined herein) to be tabled at the annual general meeting of the Company ("AGM") (as defined herein) to be held at 78 Gilstead Road, Singapore 309116 on a date to be confirmed in the Notice of the AGM (as defined herein).

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISOR OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.

If you have sold or transferred all of your issued and fully paid ordinary shares in the capital of the Company, held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all of your ordinary shares in the capital of the Company, represented by physical share certificate(s), you should immediately forward this Appendix to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Notice of the AGM and the accompanying Proxy Form will be circulated separately from this Appendix and the Annual Report before 29 June 2020.

*This Appendix has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*The Appendix has not been examined and reviewed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made, reports contained/referred to, or opinions expressed in this Appendix.*

The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, telephone (65) 6232 3210.

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

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

Appendix I

CONTENTS

Appendix I

DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

"2017 EGM"	:	The extraordinary general meeting of the Company held on 21 November 2017
"2019 AGM"	:	The annual general meeting of the Company held on 23 April 2019
"AGM"	:	The annual general meeting of the Company to be held on a date to be confirmed in the Notice of the AGM
"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Annual Report"	:	The annual report of the Company for the financial year ended 31 December 2019
"Appendix"	:	This appendix dated 15 April 2020 to Shareholders issued by the Company in relation to the proposed renewal of the Share Purchase Mandate
"Approval Date"	:	Has the meaning as ascribed in Section 1.3 of this Appendix
"Associate"	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or a Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more or such other definition as the Catalist Rules may from time to time prescribe

Appendix I

"associated company"	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and over which the Company has control
"Average Closing Price"	:	Has the meaning as ascribed in Section 2.2.4
"Auditors"	:	The auditors of the Company as appointed from time to time
"Board"	:	The board of Directors of the Company as at the date of this Appendix
"Catalist"	:	The Catalist Board of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	Edition Ltd.
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company, or such other definition as the Catalist Rules may from time to time prescribe
"Council"		The Securities Industry Council
"date of the making of the offer"	:	Has the meaning as ascribed in Section 2.2.4
"Directors"	:	The directors of the Company (whether executive or non-executive) as at the date of this Appendix
"EPS"	:	Earnings per Share
"FY"	:	Financial year ended or ending, as the case may be, 31 December

Appendix I

"Group"	:	The Company and its Subsidiaries, collectively
"Latest Practicable Date"	:	30 March 2020, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading of securities
"Market Purchases"	:	Market acquisitions of Shares on the SGX-ST undertaken by the Company during the Relevant Period in accordance with Section 76H of the Act and, a "Market Purchase" shall be construed accordingly. For the purposes of this definition, a market acquisition means a purchase transacted on the SGX-ST through the ready market
"Maximum Price"	:	The maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed 105% of the average closing price of the Shares over the last five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded preceding the day on which such purchase is made in the case of a Market Purchase, and in the case of an Off-Market Purchase, the maximum price at which Shares can be purchased shall not exceed 120% of the average closing price over the last five (5) Market Days immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs during the relevant five (5) days period and the day on which Market Purchase was carried out
"month"	:	Calendar month
"Notice of AGM"	:	The notice of AGM as set out in the Annual Report
"NTA"	:	Net tangible assets
"Off-Market Purchases"	:	Off-market acquisitions of Shares undertaken by the Company during the Relevant Period, in accordance with an equal access scheme as may consider fit, which scheme shall satisfy all the conditions prescribed in Section 76C of the Act and the Catalist Rules
"Proxy Form"	:	The proxy form as set out in the Annual Report
"relevant period"	:	The period commencing from the date the Share Purchase Mandate is conferred by the Company in general meeting and expiring on the earliest of (a) the date the next AGM of the Company is held or is required by law to be held, (b) the date on which the Share Purchases are carried out to the full extent mandated, or (c) the date the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting

Appendix I

"Securities Accounts"	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
"SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
"Shares"	:	Issued and fully-paid ordinary shares in the capital of the Company
"Share Buy Back"	:	Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period in accordance with the Act and, a "Share Purchase" shall be construed accordingly
"Share Buy Back Mandate"	:	The general mandate to authorise the Directors to make Share Purchases within the Relevant Period of up to ten per cent (10%) of the issued ordinary shares in the capital of the Company (ascertained as at the date of the passing of Resolution 9 at the 2020 AGM) at the price of up to but not exceeding the Maximum Price, in accordance with the Act and the Catalist Rules
"Sponsor"	:	SAC Capital Private Limited
"Subsidiaries"	:	The subsidiaries of a company (as defined in Section 5 of the Act) and "Subsidiary" shall be construed accordingly
"Substantial Shareholder"	:	A person (including a corporation) who has an interest (directly or indirectly) in the Shares which is not less than five per cent (5%) of the issued shares in the capital of the Company
"Takeover Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"Treasury Shares"	:	Shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Section 76H of the Act
"Usage"	:	Has the meaning as ascribed in Section 2.3.2
"$" and "cents"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"%" or "per cent"	:	Per centum or percentage

Appendix I

The terms “Depositor”, “Depositor Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

The term “subsidiary holdings” means shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the Act, the SFA, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be.

Any reference to a time of a day or date in this Appendix is a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Appendix I

LETTER TO SHAREHOLDERS

EDITION LTD.
(Registration Number: 200411873E)
(Incorporated in the Republic of Singapore)

Directors:
Dr Toh See Kiat (Non-Executive Chairman and Independent Director)
Ong Boon Chuan (Executive Director and Chief Executive Officer)
Hor Siew Fu (Independent Director)
Lui Seng Fatt (Independent Director)
Ong Kai Hoe (Non-Independent and Non-Executive Director)

Registered Office:
80 Robinson Road
#02-00
Singapore 068898

15 April 2020

To: The Shareholders of Edition Ltd.

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE OF EDITION LTD. (THE "COMPANY")

1. INTRODUCTION

1.1. Notice of AGM

We refer to Ordinary Resolution 9 set out in the Notice of AGM which will be circulated separately prior to 29 June 2020.

1.2. Letter to Shareholders

The purpose of this Appendix is to provide Shareholders with information relating to, and to explain the rationale for, the proposed renewal of the Share Buy Back Mandate (as defined in paragraph 1.3 below), and to seek their approval at the AGM of the Company to be held on a date no later than 29 June 2020.

The details of the Share Buy Back Mandate are set out in paragraph 2 of this Appendix.

1.3. Proposed Renewal of the Share Buy Back Mandate

It is a requirement under the Act for a company to obtain the approval of its shareholders to purchase or otherwise acquire its own shares at a general meeting of its shareholders. At the 2017 EGM, Shareholders had approved, *inter alia*, the Share Buy Back Mandate to enable the Company to purchase or otherwise acquire Shares in the capital of the Company. The Share Purchase Mandate was renewed on 23 April 2019 and will be expiring on the date of the forthcoming AGM. Accordingly, the directors of the Company (the "**Directors**") are proposing to seek Shareholders' approval for the renewal of the Share Buy Back Mandate at the AGM.

If approved, the renewed Share Buy Back Mandate will take effect from the date of the AGM (the "**Approval Date**") and continue in force until the date of the next annual general meeting of the Company or such date of the next annual general meeting is required by law or by its Constitution, unless prior thereto, Share Buy Back are carried out to the full extent mandated or the Share Buy Back Mandate is revoked or varied by the Company in the annual general meeting. The Share Buy Back Mandate will be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

Appendix I

Section 76B(1) of the Act provides, *inter alia*, that notwithstanding Section 76, a Singapore-incorporated company may purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is expressly permitted under the Company's Constitution. The Constitution permits the Company to purchase or otherwise acquire shares issued by it. Any purchase or acquisition of shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Act and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the SGX-ST, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company which is listed on Catalist.

It is also a requirement under the Companies Act that a company which wishes to purchase or acquire its own shares must obtain approval from its shareholders to do so at a general meeting of the Company. Accordingly, approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Buy Back Mandate.

2. PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1. Background and Rationale

The Directors wish to renew the Share Buy Back Mandate to allow the Company to purchase issued Shares. The Share Buy Back Mandate will allow the Directors to make share purchases at the appropriate price level and is one of the ways through which the return on equity of the Group may be enhanced. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the share structure of the Company and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or the NTA per Share of the Company.

During the period when the Share Buy Back Mandate is in force, the Share Buy Back Mandate will give the Directors the flexibility to purchase or acquire Shares when and if the circumstances permit. The Share Buy Back Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued, to help mitigate short-term market volatility and to offset the effects of short-term speculation. The Share Buy Back Mandate will also allow the Directors to effectively manage and minimise the dilution impact (if any) associated with share option schemes and performance share plans.

While the Share Buy Back Mandate would authorise a purchase or acquisition of Shares of up to 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the AGM at which the Share Buy Back Mandate is approved, Shareholders should note that purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate may not be carried out to the full 10% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.2. Terms of the Mandate

The authority and limitations placed on purchases of Shares by the Company under the proposed renewal of the Share Buy Back Mandate are summarised below:

2.2.1. Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued Shares as at the Approval Date, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time

Appendix I

during the relevant period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 2,510,923,690 Shares (excluding Shares held in treasury), and assuming that no further Shares are issued on or prior to the AGM, not more than 251,092,369 Shares (representing 10% of the issued Shares (excluding Shares held in treasury and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed renewal of the Share Buy Back Mandate.

However, notwithstanding that the threshold for the Proposed Share Buy Back Mandate is not more than 10% of issued Shares as at the Approval Date, in order to comply with the public float requirement in Rule 723 of the Catalist Rules, the Company would not purchase or acquire more than 103,128,221 Shares (or 4.11% of the issued Shares (excluding Treasury Shares and subsidiary holdings)), pursuant to the proposed renewal of the Share Buy Back Mandate.

2.2.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(a) the date on which the next AGM is held or is required by law to be held;

(b) the date on which the buy backs of Shares pursuant to the proposed renewal of Share Buy Back Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred in the proposed renewal of Share Buy Back Mandate is varied or revoked.

The proposed renewal of Share Buy Back Mandate may be renewed at each AGM or other general meeting of the Company.

2.2.3. Manner of purchase or acquisition of Shares

Purchases of Shares may be made by way of, *inter alia*:

(a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the trading system, or as the case may be, any other securities exchange on which the Shares may, for the time being, be listed; and/or

(b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the proposed renewal of the Share Buy Back Mandate, the Catalist Rules and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

Appendix I

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

(iii) the reasons for the proposed renewal of the Share buy-back;

(iv) the consequences, if any, of Share buy-back by the Company that will arise under the Singapore Code on the Takeover Code;

(v) whether the Share buy back, if made, could have any effect on the listing of the Shares on Catalist; and

(vi) details of any Share buy back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.2.4. Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, up to 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase. For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that during the relevant 5-day period.

Appendix I

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3. Status of Purchased Shares under the Share Buy Back Mandate

2.3.1. Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interests of the Company at that time.

All Shares purchased or acquired by the Company (other than treasury shares) will be automatically delisted from Catalist, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

No acquisition by a company of its own shares whether to be held as treasury shares or for cancellation may be affected if, on the date on which the acquisition is to be affected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

2.3.2. Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

Appendix I

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subjected always to the Takeover Code):

(1) sell the treasury shares for cash;

(2) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(3) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(4) cancel the treasury shares; or

(5) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rules 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**Usage**"). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares comprised in the Usage, the number of treasury shares before and after the Usage, the percentage of the number of treasury shares comprised in the Usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage, and the value of the treasury shares if they are used for or transfer or cancelled.

2.4. Source of Funds for the Proposed Renewal of the Share Buy Back

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not buy Shares on Catalist for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Share Buy Back by the Company may be made out of the Company's profits or capital that are available for distribution as dividends so long as the Company is solvent.

Pursuant to Section 76F(4) of the Act, the Company is solvent if at the date of payment in consideration of a Share Buy Back:

(a) there are no grounds on which the Company could be found to be unable to pay its debts as they fall due in the normal course of business at the time of payment for the purchase of its shares, as well as during the period of twelve (12) months after the purchase; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and such value will not, after any buy back of Shares become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

(a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Share Buy Back Purchase Price**");

Appendix I

(b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Share Buy Back Purchase Price; or

(c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the consideration paid by the Company for the Share Buy Back.

The Company may use internal or external sources of funds to finance purchases of Shares pursuant to the proposed renewal of the Share Buy Back Mandate.

The Directors do not propose to exercise the proposed renewal of the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

2.5. Take-over Implications under the Take-over Code

2.5.1. Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Takeover Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30 per cent or more or, if they, together holding between 30 per cent and 50 per cent of the Company's voting rights, increase their voting rights in the Company by more than 1 per cent in any period of 6 months.

2.5.2. Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert with each other:

(i) a company, its parent company, subsidiary corporations and fellow subsidiary corporations, and their associated companies and companies of which such companies are associated companies. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status;

(ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(iii) a company with any of its pension funds and employee share schemes;

(iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

Appendix I

(v) a financial or other professional advisor, with its clients in respect of the shareholdings of the advisor and the persons controlling, controlled by or under the same control as the advisor and all the funds which the advisor manages on a discretionary basis, where the shareholdings of the advisor and any of those funds in the client total 10% or more of the client's equity share capital;

(vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(vii) partners; and

(viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by 1 per cent in any period of 6 months.

A Shareholder who is not acting in concert with Directors will not be required to make a take-over offer under Rule 14 of the Take-Code if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if the voting rights of such directors fall between 30% and 50% of the company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy Back Mandate.

The Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular persons and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Buy Back. Further details of the interests of the Directors and Substantial Shareholders of the Company in Shares as at the Latest Practicable Date are set out in Section 3 of this Appendix.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisors and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

2.6. Financial Effects of the Proposed Renewal of the Share Buy Back Mandate

2.6.1. General

Shareholders should note that the financial effects illustrated below are for illustrative purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2019 (please refer to pages 62 to 113 of the Annual Report). It should be noted that to comply with the public float requirement in Rule 723 of the Catalist Rules, the Company would not purchase or acquire more than 103,128,221 Shares (or 4.11% of the issued Shares (excluding Treasury shares and subsidiary holdings)).

Appendix I

2.6.2. Financial Effects of the Proposed Renewal of the Share Buy Back Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed renewal of the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The Directors do not propose to exercise the proposed renewal of Share Buy Back Mandate to such an extent that it would have a material adverse effect on the financial position of the Company. The purchase of Shares will only be affected after considering relevant factors such as the Group's working capital requirement, the availability of financial resources to the Group, the Group's expansion and investment plans and the prevailing market conditions. The proposed renewal of the Share Buy Back Mandate will be exercised with a view to enhance the earnings and/or NTA value per Share of the Group. The financial effects presented in this Section of this letter are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company has 2,510,923,690 issued Shares (excluding 12,374,000 Shares held in treasury and nil subsidiary holdings).

(b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 2,510,923,690 Shares (disregarding the 12,374,000 treasury shares and subsidiary holdings) in issue as at the Latest Practicable Date and assuming no further Shares are issued and no additional Shares are held by the Company as treasury shares on or prior to the AGM, the purchase by the Company of 4.11% of its issued Shares (excluding Shares held in treasury and subsidiary holdings) will result in the purchase of 103,128,221 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 103,128,221 Shares at the Maximum Price of $0.005 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 103,128,221 Shares is approximately $515,641.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 103,128,221 Shares at the Maximum Price of S$0.006 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 103,128,221 Shares is approximately $618,769.

Taking into consideration the existing 12,374,000 Shares held in treasury by the Company as at the Latest Practicable Date, the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Purchase Mandate and hold in treasury shall be 103,128,221 Shares.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:-

(i) the Share Buy Back Mandate had been effective since 1 January 2019;

(ii) such Share purchases are funded solely by internal resources and/or borrowings;

Appendix I

(iii) purchase or acquisition of 103,128,221 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of capital and cancelled;

(iv) purchase or acquisition of 103,128,221 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital and cancelled;

(v) purchase or acquisition of 103,128,221 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of capital and held in treasury; and

(vi) purchase or acquisition of 103,128,221 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury.

The financial effects on the audited consolidated financial results of the Group for FY2019, are set out below:-

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			
	Market Purchase		**Off-Market Purchase**	
($'000) **As at 31 December 2019**	Before Share buy back	After Share buy back	Before Share buy back	After Share buy back
Share capital	43,079	42,563	43,079	42,460
Treasury shares	(1,236)	(1,236)	(1,236)	(1,236)
Other reserves	198	198	198	198
Accumulated losses	(24,316)	(24,316)	(24,316)	(24,316)
Total Shareholders' Equity	17,725	17,209	17,725	17,106
Net Tangible Assets attributable to owners of the Company[1]	17,605	17,089	17,605	16,986
Current Assets	16,965	16,449	16,965	16,346
Current Liabilities	(1,395)	(1,395)	(1,395)	(1,395)
Working Capital	15,570	15,054	15,570	14,951
Total Borrowings	(329)	(329)	(329)	(329)
Loss after tax and attributable to Equity holders of the Company	(5,998)	(5,998)	(5,998)	(5,998)
Number of shares ('000)	2,510,924	2,407,796	2,510,924	2,407,796
Weighted average number of shares ('000)	2,510,924	2,407,796	2,510,924	2,407,796
Financial Ratios				
NTA per share[2] (cents)	0.70	0.71	0.70	0.71
Current Ratio[3] (times)	12.16	11.79	12.16	11.72
Basic EPS[4] (cents)	(0.24)	(0.25)	(0.24)	(0.25)

Appendix I

Scenario 2: Purchases made entirely out of capital and held as treasury shares

	Group			
	Market Purchase		Off-Market Purchase	
($'000) **As at 31 December 2019**	Before Share buy back	After Share buy back	Before Share buy back	After Share buy back
Share capital	43,079	43,079	43,079	43,079
Treasury shares	(1,236)	(1,752)	(1,236)	(1,855)
Other reserves	198	198	198	198
Accumulated losses	(24,316)	(24,316)	(24,316)	(24,316)
Total Shareholders' Equity	17,725	17,209	17,725	17,106
Net Tangible Assets attributable to owners of the Company[1]	17,605	17,089	17,605	16,986
Current Assets	16,965	16,449	16,965	16,346
Current Liabilities	(1,395)	(1,395)	(1,395)	(1,395)
Working Capital	15,570	15,054	15,570	14,951
Total Borrowings	(329)	(329)	(329)	(329)
Loss after tax and attributable to Equity holders of the Company	(5,998)	(5,998)	(5,998)	(5,998)
Number of shares ('000)	2,510,924	2,407,796	2,510,924	2,407,796
Weighted average number of shares ('000)	2,510,924	2,407,796	2,510,924	2,407,796
Financial Ratios				
NTA per share[2] (cents)	0.70	0.71	0.70	0.71
Current Ratio[3] (times)	12.16	11.79	12.16	11.72
Basic EPS[4] (cents)	(0.24)	(0.25)	(0.24)	(0.25)

Notes:-

(1) NTA attributable to owners of the Company refers to net assets attributable to owners of Company less intangible assets.

(2) NTA per share is computed based on the NTA divided by the weighted average number of shares.

(3) Current ratio represents the ratio of current assets to current liabilities.

(4) Basic EPS equals Loss after tax and non-controlling interest divided by the weighted average number of shares.

Appendix I

Shareholders should note that the financial effects set out herein are purely for illustrative purposes only. In particular, it is important to note that the analysis herein is based on the audited consolidated financial statements of the Company and the Group for FY2019 and is not necessarily representative of future financial performance.

Although the proposed renewal of the Share Purchase Mandate would authorise the Company to purchase or acquire up to 4.11% of its total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 4.11% of its total number of issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the proposed renewal of the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

2.7. Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

2.8. Interested Persons

The Company is prohibited from knowingly buying Shares on Catalist from an interested person, that is, a Director, the Chief Executive Officer of the Company or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.9. Reporting Requirements under the Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

2.10. Catalist Rules

Rule 723 of the Catalist Rules require a listed company to ensure that at least 10% of its shares are at all times held by public Shareholders.

As at the Latest Practicable Date, approximately 14.11% of the issued Shares of the Company are held in the hands of the public. Assuming that (a) the Shares held by the Substantial Shareholders of the Company and the Directors remain unchanged, (b) Mr Ong Boon Chuan and his associates did not exercise the options granted to them under the Employee Share Option Scheme (the "**Scheme**") and vest the Shares granted under the Edition Employee Share Plan (the "**Share Plan**"),

Appendix I

the Company would not purchase or acquire more than 103,128,221 Shares (or 4.11% of the issued Shares (excluding treasury shares and subsidiary holdings)) pursuant to the proposed renewal of the Share Buy Back Mandate. The Company will not purchase or acquire Shares such that the number of Shares remaining in the hands of the public will fall below 10% of the issued shares as to cause market illiquidity or adversely affect the orderly trade of the Shares or the listing status of the Company.

Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last 5 Market Days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.2.4 of this Appendix, conforms to this restriction.

Additionally, the Catalist Rules also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the price paid per Share or (in the case of Market Purchases) the price paid per Share or the highest price and lowest price paid per Share, the total consideration (including stamp duties, clearing charges, etc.) paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed renewal of the Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

In particular, in line with Rule 1204(19) of the Catalist Rules, the Company will not purchase or acquire any Share through Market Purchases during the period of:

(a) one (1) month immediately preceding the announcement of the Company's half-year and full-year results, and ending on the date of announcement of the half-year and full-year results (as the case may be); or

(b) two (2) weeks immediately preceding the announcement of the Company's quarterly results for each of the first three (3) quarter of its financial year, and ending on the date of announcement of the quarterly results, if the Company announces its quarterly financial statements, whether required by SGX-ST or otherwise.

2.11. Shares purchased by the Company in the previous 12 months

The Company has not purchased or acquired any Shares in the last twelve (12) months immediately preceding the Latest Practicable Date.

Appendix I

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders (both direct and deemed) are as follows:

	Direct Interest		Deemed Interest		No. of unissued ordinary shares under the Scheme and the Share
Directors	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**Plan**
Ong Boon Chuan	–	–	2,156,703,100(2)	85.89	34,026,771(4)
Lui Seng Fatt	–	–	–	–	–
Toh See Kiat	–	–	–	–	–
Hor Siew Fu	–	–	–	–	–
Ong Kai Hoe	–	–	–	–	–
Substantial Shareholders (other than Directors)					
B&L Group Pte Ltd	1,815,272,000	72.29	–	–	–
Kok Lee Kuen	341,431,100	13.60	1,815,272,000(3)	72.29	–

Notes: -

(1) Based on 2,510,923,690 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(2) 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, Chapter 50.

(3) 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.

(4) As per Latest Practicable Date, pursuant to the Scheme and Share Plan, there are 27,221,417 options and 6,805,354 Share awards granted to Mr Ong Boon Chuan.

Saved as disclosed in this Appendix, other than through their respective shareholdings in the Company, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the transactions.

4. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale set out in Section 2.1 of this Appendix for the Share Buy Back Mandate, the Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buy Back Mandate at the AGM.

5. ADVICE TO SHAREHOLDERS

Shareholders are advised to read this Appendix in its entirety and, for those who may require advice in the context of their specific investments, to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

Appendix I

In compliance with its continuing listing obligations under the Catalist Rules, the Company will also be announcing, from time to time, material information relating to the Company. As such, the Shareholders are also advised to refer to such announcements when considering the Proposals to be tabled at the AGM.

6. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE CONSTITUTION

The Company confirms that the terms of the proposed renewal of the Share Buy Back Mandate do not contravene any laws, regulation and the Constitution governing the Company.

7. ANNUAL GENERAL MEETING

The AGM will be held at 78 Gilstead Road, Singapore 309116, on a date no later than 29 June 2020 for the purpose of considering and, if thought fit, passing, with or without modification the resolutions set out in the Notice of AGM, which will be circulated separately prior to 29 June 2020.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the office of the Share Registrar of the Company at 80 Robinson Road, #11-02, Singapore 068898, not later than forty-eight (48) hours before the time fixed for holding the AGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the AGM, if he wishes to do so, in place of his proxy. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than seventy-two (72) hours before the time fixed for the AGM or any adjournment thereof.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

Appendix I

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours from the date of this Appendix up to the date of the AGM:

(a) the Constitution of the Company; and

(b) the Annual Report of the Company for the FY2019.

Appendix II

APPENDIX DATED 15 APRIL 2020

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

*Capitalised terms appearing on the cover of this Appendix have the same meanings as defined in the section entitled "**Definitions**".*

This Appendix is circulated to the Shareholders (as defined in herein of Edition Ltd. (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2019 (the "**Annual Report**"). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the Proposed Adoption of a General Mandate for Interested Person Transactions to be tabled at the annual general meeting of the Company ("**AGM**") to be held at 78 Gilstead Road, Singapore 309116 on a date to be confirmed in the Notice of the AGM (as defined herein).

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Appendix and the Annual Report to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Notice of the AGM and the accompanying Proxy Form will be circulated separately from this Appendix and the Annual Report before 29 June 2020.

This Appendix has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Appendix, including the accuracy of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Ms Tay Sim Yee (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Independent Financial Adviser to the Audit Committee of the Company
In relation to the Proposed Adoption of the Interested Person Transactions Mandate

RHT CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201109968H)

Appendix II

CONTENTS

Appendix II

DEFINITIONS

In this Appendix, the following definitions apply throughout except where the context otherwise requires:-

"Annual Report"	:	The annual report of the Company for the financial year ended 31 December 2019
"Act" or "Companies Act"	:	Companies Act, Chapter 50 of Singapore, as amended from time to time
"AGM"	:	Annual general meeting of the Company to be convened no later than 29 June 2020
"Agreement"	:	As set out in Section 2.1 of this Appendix
"Appendix"	:	This appendix dated 15 April 2020
"Associate"	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"BCA"	:	Building and Construction Authority
"Board" or "Board of Directors"	:	The board of directors of the Company for the time being
"Business Day"	:	A day (other than a Saturday, Sunday or gazette public holiday) on which commercial banks are open for business in Singapore
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time

Appendix II

"CDP"	:	The Central Depository (Pte) Limited
"CEO"	:	Chief Executive Officer
"Company"	:	Edition Ltd.
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"Director(s)"	:	The directors of the Company as at the Latest Practicable Date
"Entity at Risk"	:	Has the meaning as ascribed in section 2.2 of this Appendix
"FY" or "Financial Year"	:	Financial year ended or, as the case may be, ending 31 December
"Group"	:	The Company and its subsidiaries
"IFA" or "Independent Financial Adviser"	:	RHT Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the proposed IPT General Mandate
"IFA Letter"	:	The letter dated 15 April 2020 from the IFA to the Independent Directors in relation to the proposed IPT General Mandate
"Independent Directors"	:	The Directors who are deemed to be independent in respect of the proposed IPT General Mandate
"Interested Person"	:	As defined in the Catalist Rules, an interested person, in the case of the Company, means: (a) a Director, CEO, or Controlling Shareholder of the Company; or (b) an Associate of any such Director, CEO, or Controlling Shareholder
"Interested Person Transaction" or "IPT"	:	A transaction between an Entity at Risk and an Interested Person and a "transaction" includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business and whether or not entered into directly or indirectly

Appendix II

"IPT General Mandate"	:	A general mandate given by Shareholders pursuant to Chapter 9 of the Catalist Rules to authorise the Company and its subsidiaries which are considered to be "entities at risk" within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of businesses, to enter into categories of transactions with specified classes of the Company's Interested Persons, provided that such transactions are entered into on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
"IPT Register"	:	As set out in Section 2.5.2 of this Appendix
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Appendix, being 30 March 2020
"Mandated Interested Person"	:	TCEC
"Mandated Transactions"	:	Has the meaning as ascribed in section 2.4.1 of this Appendix
"MEOD"	:	Meod Pte. Ltd., a wholly owned subsidiary of the Company
"Mr. Ong"	:	Mr. Ong Boon Chuan
"Notice of AGM"	:	The notice of the AGM that is to be separately circulated before 29 June 2020
"NTA"	:	Net tangible assets of the Group
"Proposed IPT General Mandate"	:	The general mandate for Interested Person Transactions from Shareholders which has to be obtained by the Company pursuant to Chapter 9 of the Catalist Rules, permitting the Entities at Risk to enter into the Mandated Transactions with the Mandated Interested Persons
"Scheme and Share Plan"	:	Employee Share Option Scheme and Performance Share Plan approved by the Shareholders on 21 November 2017
"Securities"	:	Have the meaning ascribed to it in Section 2(1) of the Securities and Futures Act (Chapter 289)
"Securities Account"	:	The securities account maintained by a depositor with CDP
"Securities and Futures Act"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Share"	:	An ordinary share in the capital of the Company

Appendix II

“Shareholders”	:	Registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term **“Shareholders”** shall, in relation to such shares, mean the Depositors who have Shares entered against their name in the Depositors Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Account.
“Subsidiaries”	:	The subsidiaries of the Company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	Shall have the meaning ascribed to it in section 81 of the Companies Act and section 2(4) of the Securities and Futures Act, being a person who: (a) has an interest or interests in one (1) or more Shares (excluding treasury shares) in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares (excluding treasury shares) in the Company
“TCEC”	:	Thye Chuan Engineering Construction Co. Pte Ltd, a company wholly owned by TG Corporation Holdings Pte. Ltd., which Mr. Ong holds shares in representing approximately 83.7% of its issued share capital
“Variation Order”	:	Issued by the Company to the Mandated Interested Person whenever there is a change to the scope of the contracted work
“S$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent”	:	Per cent. or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act (Chapter. 289).

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities Futures Act, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Appendix shall have the meaning assigned to it under the Companies Act, the Securities Futures Act, the Catalist Rules or any modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) contained in this Appendix are of such laws and regulations (including the Catalist Rules) as at the Latest Practicable Date.

Appendix II

Any discrepancies in the tables included in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to the nearest one decimal place.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless stated otherwise.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Appendix II

LETTER TO SHAREHOLDERS

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

Directors:
Dr Toh See Kiat (Non-Executive Chairman and Independent Director)
Ong Boon Chuan (Executive Director and Chief Executive Officer)
Hor Siew Fu (Independent Director)
Lui Seng Fatt (Independent Director)
Ong Kai Hoe (Non-Independent and Non-Executive Director)

Registered Office:
80 Robinson Road
#02-00
Singapore 068898

15 April 2020

To: The shareholders of Edition Ltd. (the "**Company**")

Dear Sir / Madam

THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The Directors is proposing to seek Shareholders' approval for the proposed adoption of the IPT General Mandate (the "**Proposed Resolution**") at the AGM of the Company to be held on a date no later than 29 June 2020 at 78 Gilstead Road, Singapore 309116. Shareholders will be notified of the date in due course via a Notice of the AGM, which will be circulated separately prior to 29 June 2020.

In connection therewith, this Appendix has been prepared to provide Shareholders with information relating to the IPT General Mandate, and to seek Shareholders' approval in respect of the same at the AGM.

2. THE PROPOSED IPT GENERAL MANDATE

2.1 Background

The principal activities of the Group are (i) carrying out high-tech agricultural production on land that is either rented or acquired, (ii) expanding its agricultural business organically or through potential acquisitions and joint ventures and (iii) trading and/or distributing agricultural related products.

Presently, the Group operates a 1-hectare farm at Kranji and possesses an agricultural land parcel of 6-hectares at Neo Tiew Harvest Lane, through its direct wholly-owned subsidiary, Meod Pte. Ltd.. As stated in the Group's full year results announcement for financial year ended 31 December 2019 ("FY2019"), TCEC has been supplying labour/manpower to MEOD for the construction of greenhouse and the maintenance of its agricultural premises. Further, the Group has signed a letter of award with TCEC during FY2019 for temporary works to be costructed on the land parcel at Neo Tiew Harvest Lane to prepare the site, which includes building of temporary workers quarters and container toilets, temporary hoarding for workers quarters and boundary hoarding and chain link fence around the farm site.

Following the award of an area of 60,786 square metres land parcel with a lease tenure of 20 years at Neo Tiew Harvest Lane by Agri-Food and Veterinary Authority in 2018, the Group is in the process of developing its modern high-technology farm at the site which is envisaged to be carried out in several phases.

Appendix II

The Group will engage suitable contractor(s) for (a) the first and second phase of the development, which will comprise the proposed construction of a modern high-technology farm and (b) the third phase of the development which will comprise the proposed construction of other ancillary buildings and facilities, including but not limited to workers dormitories, restaurants, offices, and research and development laboratories to support the production and conduct of its farming activities (the "**Project**"). Under the Project, the contractor shall undertake the role of a main contractor to perform the following services (the "**Agreement**"):

(a) All preliminaries such as site preparatory work;

(b) Demolition and site clearance;

(c) Excavation and temporary works;

(d) Construction of sub structures and super structures;

(e) Construction of structural steel works;

(f) All mechanical and electrical works;

(g) All external works including the construction of walls, gates, fencing and drainage;

(h) All buildings finishes including the finishes for walls, floors, ceilings, staircases, construction of timber ceilings, timber doors, windows, roofing, glass lift enclosure, and sundries;

(i) system installation works; and

(j) all other works required for a modern high-technology farm to commence production and conduct its farming activities.

It is intended that the contract(s) will be awarded on the following principal terms:

(a) the main contractor must be at least a grade "B2" registered contractor in the category of general building (CW01) with the BCA to ensure that it has the requisite professional technical expertise and capability to undertake and complete the Project;

(b) the main contractor shall be required to have such minimum paid up issued capital as may be required by the Audit Committee; and

(c) the main contractor to provide an undertaking that it will have sufficient finances to undertake and complete the Project.

It is envisaged that the Group may continue to engage the contractor(s), to provide construction services for future construction projects of high-technology farms for the Group.

TCEC has expressed its interest to be considered for the role of main contractor for the Project and other future construction projects for high-technology farms on the above principal terms and its suitability will be considered in accordance with the Review Procedures for Interested Person Transactions as set out in Section 2.5 of this Appendix.

Appendix II

As at the Latest Practicable Date:

(a) Mr. Ong holds shares representing approximately 83.7% of the issued share capital in TG Corporation Holdings Pte. Ltd., which is the sole shareholder of TCEC and the remaining 16.3% shareholdings in TG Corporation Holdings Pte. Ltd. is held by Mdm Kok Lee Kuen, the spouse of Mr. Ong; and

(b) Mr. Ong is an Executive Director, CEO and Controlling Shareholder of the Company.

Mr. Ong is the father of (i) Mr. Ong Kai Hian, who is an Executive Officer of the Company and Executive Director of MEOD, and (ii) Mr. Ong Kai Hoe, who is a manager-in-charge of TCEC and the Non-Independent and Non-Executive Director of the Company.

Under the definition set out in the Catalist Rules, TCEC, Mr Ong Kai Hian and Mr Ong Kai Hoe are deemed to be associates of Mr Ong. Pursuant to Rule 904(4) of the Catalist Rules, each of Mr Ong, TCEC, Mr Ong Kai Hoe and Mr Ong Kai Hian is an Interested Person and pursuant to Rule 904(5) of the Catalist Rules, transactions between an Entity at Risk and Interested Persons are deemed to be Interested Person Transactions. Accordingly, any transactions entered into by the Group with the Interested Persons would be deemed as Interested Person Transactions, which would be subjected to approval by Shareholders should the aggregate value of such Interested Person Transactions exceed 5.0% of the Group's audited NTA for the latest audited financial year.

As it is anticipated that the Group may engage TCEC as the main contractor for the Project and for other future construction projects of high-technology farms, the Company is seeking Shareholders' approval in respect of the Proposed IPT General Mandate (as set out in Section 2.4 of this Appendix) at the AGM.

The Proposed IPT General Mandate is sought pursuant to Rule 920 of the Catalist Rules which allows the issuer to seek a general mandate from shareholders of the company for recurrent transactions with Interested Persons where such transactions are of a revenue nature or trading nature or those necessary for day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchases or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

2.2 Requirements of Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies over which the listed company has control (other than a subsidiary or associated company that is listed on a foreign stock exchange) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its minority Shareholders.

For the purposes of Chapter 9 of the Catalist Rules:

(a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;

(b) an "**entity at risk**" means:

(i) the issuer;

(ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or

Appendix II

(iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(c) an "**interested person**" means (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder; (iii) the SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposed to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction;

(d) an "**associate**":

(1) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

a. his immediate family;

b. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

c. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(2) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(e) an "**interested person transaction**" means a transaction between an entity at risk and an interested person;

(f) "**financial assistance**" includes: (a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another;

(g) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9 of the Catalist Rules;

(h) a "**transaction**" includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities);

(i) a "**primary interested person**" means a director, chief executive officer or controlling shareholder of the issuer; and

Appendix II

(j) in interpreting the term "**same interested person**" for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905, 906 and 907 of the Catalist Rules, the following applies:

(1) Transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and an associate of that primary interested person, are deemed to be transactions between the entity at risk with the same interested person.

Transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person; and

(2) Transaction between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different.

Under Chapter 9 of the Catalist Rules, where there is a transaction between an interested person and an entity at risk, and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated NTA), unless the transaction is excluded as described below, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the interested person transaction.

An immediate announcement is required for an interested person transaction where:

(a) the value of an interested person transaction is equal to, or more than, three per cent. (3%) of the listed group's latest audited NTA; or

(d) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the listed group's latest audited NTA.

In addition to an immediate announcement, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) five per cent. (5%) of the listed group's latest audited consolidated NTA; or

(b) five per cent. (5%) of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

For the purposes of aggregation, any interested person transactions below S$100,000 each are to be excluded under Chapter 9 of the Catalist Rules. Nevertheless, the Company will subject all Interested

Appendix II

Person Transactions under the IPT General Mandate, including those below S$100,000, to the guidelines and review procedures set out in Section 2.5 of the Appendix.

For illustrative purposes only, based on the latest audited consolidated financial statements of the Group for FY2019, the consolidated audited NTA of the Group was S$17,605,000. Accordingly, in relation to the Group, for the purpose of Chapter 9 of the Catalist Rules, in the current financial year, being FY2020 and until such time as the audited consolidated financial statements of the Group for the current financial year are published, Shareholders' approval is required where:

(a) the transaction is of a value equal to, or more than, approximately S$880,250, being 5% of the Group's latest audited NTA as at 31 December 2019; or

(b) the transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, is of a value equal to, or more than, approximately S$880,250. The aggregation will exclude any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been approved by Shareholders.

2.3 Rationale and benefits of the Proposed IPT General Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the adoption of the IPT General Mandate to enable the Group to enter, in the ordinary course of business, into any of the Mandated Transactions with the Mandated Interested Person, provided that such transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions.

The Proposed IPT General Mandate, if approved by the Shareholders at the AGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval as and when Mandated Transactions arise, provided that such transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The Group will benefit from having access to competitive quotes from its Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons.

The proposed IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the operational strengths of its Interested Persons and reduce overlapping costs to achieve greater growth.

Appendix II

2.4 The Proposed IPT General Mandate

2.4.1 Nature and scope of the Mandated Transactions

The Proposed IPT General Mandate will apply to the following category of transactions with the Mandated Interested Persons:

Construction Services

The category of Interested Person Transactions covered under the Proposed IPT General Mandate relates to general construction services provided by the Mandated Interested Person, in the capacity of a main contractor to the Group, which shall include, but not be limited to the proposed construction of a modern high-technology farm and/or other ancillary buildings and facilities required for the production and conduct of its farming activities at Neo Tiew Harvest Lane. The Group may continue to engage the Mandated Interested Person, in the capacity of main contractor for future construction projects in relation to the construction of the high-technology farms for the Group.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandate.

2.4.2 Classes of Interested Persons

The Proposed IPT General Mandate will apply to the Mandated Transactions that are carried out between any Entity at Risk and the following Mandated Interested Person:

(a) Thye Chuan Engineering Construction Co. Pte Ltd ("**TCEC**")

TCEC is a private company limited by shares, incorporated in Singapore on 23 April 1992, with a registered capital of S$10,000,000. Its registered office is located at 78 Gilstead Road, Newton Green, Singapore 309116. The principal activities of TCEC are "General Contractors (Building Construction Including Major Upgrading Works)", and "Other Specialised Construction and Related Activities".

As at the Latest Practicable Date, TCEC is listed as a "B2" registered contractor in the category of general building (CW01) with BCA.

Mr. Ong is the founder and director of TCEC, and holds shares representing approximately 83.7% of the issued share capital in TG Corporation Holdings Pte. Ltd., which is the sole shareholder of TCEC. Mr. Ong is also an Executive Director, CEO and Controlling Shareholder of the Company.

As at the Latest Practicable Date, Mr. Ong is deemed to be interested in 85.89% of the issued share capital of the Company, and hence considered a Controlling Shareholder of the Company.

2.5 Guidelines and review procedures under the Proposed IPT Mandate

To ensure that all Mandated Transactions are carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will implement the following procedures for the review and approval of the Interested Person Transactions under the Proposed IPT General Mandate.

All Mandated Transactions shall be conducted in accordance with the Group's usual business practices and policies in addition to the approved review procedures under this Appendix. At the commencement of each stage of this Project, the Group will have in place a project team comprising of the Company's financial controller and a professional independent third-party such as an architect or a quantity surveyor (the "**Independent Project Team**").

Appendix II

The responsibilities of the Independent Project Team include, *inter alia*:

(a) Nominating and shortlisting construction service providers;

(b) Preparing documentation in relation to requests for quotations and requesting quotations from shortlisted construction service providers; and

(c) Evaluating the quotations submitted by the construction service providers.

In the event that the Independent Project Team recommends the award of the construction services contract to the Mandated Interested Person, we will seek the prior approval of the Audit Committee before awarding the contract to the Mandated Interested Person. The approval shall be subject to:

(a) declaration of independence of the members of the Independent Project Team;

(b) the completion of a quotation evaluation report prepared by the Independent Project Team, detailing their review of the quotations received, including summaries and comparison of cost breakdown, recent track record, the size of the construction team, the qualifications of the key construction team members, duration and payment milestones, the issued share capital of the contractor and the grade of the contractor awarded by the BCA;

(c) the quotation evaluation report containing quotations from at least two unrelated third parties, for the same or substantially similar projects and contemporaneous in time and the contractual sum to be awarded to the Mandated Interested Person is not more favourable to the Mandated Interested Person as compared to unrelated third parties;

(d) in the event that the quotation evaluation report contains less than two quotations from unrelated third parties, the Mandated Interested Person shall provide two of its construction service contracts entered into with unrelated third parties, for substantially similar projects and contemporaneous in time, for review by the Independent Project Team. Where the Mandated Interested Person is unable to provide such construction service contracts entered into previously with unrelated third parties, TCEC shall use its best efforts to provide similar quotes to the satisfaction of the Project Team subject to the Audit Committee's approval; and

(e) the Mandated Interested Person continues to hold the relevant qualification(s) and licence(s).

Before deciding whether to approve or reject the Mandated Transaction, the Audit Committee will evaluate and weigh the benefits of, and rationale for transacting with the Mandated Interested Person, which will include amongst others, the complexity of the project, the availability of the requisite expertise, considerations of the efficiencies and flexibilities derived by the Company in transacting with the Mandated Interested Person compared with transacting with unrelated third parties. In determining the terms of the transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

2.5.1 Approval threshold for Mandated Transactions with Mandated Interested Persons

The prior approval of the Audit Committee is required for all Mandated Transactions. For Variation Orders, the following approval threshold will be adopted by our Group as follows:

Value of each variation order	**Designated Approval Authority**
Less than S$50,000	The prior approval of Financial Controller and architect or quantity surveyor
Greater than or equal to S$50,000	The prior approval of the Audit Committee

Appendix II

The above thresholds are determined based on the anticipated value of the contract and taking into account of reasonable checks to be put in place without disrupting the operational efficiency of the Group. The Independent Project Team will closely monitor the Project's expenditure. In the event if there is a budget overrun, the Company will obtain prior approval from the Audit Committee before proceeding to approve any more variation orders and/or with the construction of the Project. If necessary, the Audit Committee may at its discretion obtain independent advice.

If any member of the Audit Committee has an interest in an Interested Person Transaction, he or she will abstain from any review, deliberation or decision making in respect of that Interested Person Transaction.

2.5.2 Additional review procedures for Interested Person Transactions with Interested Persons

We will also implement the following procedures for the identification of interested persons and the record of all interested person transactions:

(a) our finance team will maintain a list of the Interested Persons and their Associates (which is to be updated immediately if there are any changes) to enable identification of the Interested Persons. The list of Interested Persons shall be reviewed on a half-yearly basis by the Financial Controller and be subject to such verifications or declarations as required by the Audit Committee for such period as determined by it. A list of the Interested Persons shall be disseminated to all staff of our Group that we consider relevant for the purposes of entering into Interested Person Transactions. In the event that we need to include new interested person(s) as Mandated Interested Person(s), we will take actions as we deem appropriate (such as to obtain a fresh Shareholders' general mandate for Mandated Transactions);

(b) we will maintain a register of Interested Person Transactions ("**IPT Register**") carried out with Interested Persons (including the Mandated Transactions), which will record and document the identities of the Interested Persons, the basis, including the quotations, key documents and other evidence obtain to support such basis on which they were entered into, as well as the approving authority. The IPT Register will also contain invoices and payment vouchers in relation to the Interested Person Transactions. All subsequent Variation Orders relating to the Mandated Transactions, shall be kept in the IPT Register;

(c) the IPT Register will also record any Interested Person Transactions (including the Mandated Transactions) that are below S$100,000 in value, although such transactions are not required to be aggregated for the purpose of the IPT General Mandate. The Financial Controller shall review the IPT Register on a monthly basis;

(d) the Audit Committee shall review the IPT Register on a half-yearly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ensure that all Interested Person Transactions are on normal commercial terms and all Mandated Transactions are carried out in accordance with the established review procedures under the Proposed IPT General Mandate. Such review includes the examination of the transactions, its supporting documents, Variation Orders, or such other data deemed necessary by the Audit Committee. Our Audit Committee may request for any additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit;

(e) the internal auditors will, on an annual basis, review the IPT Register to ascertain that the guidelines and procedures established to monitor all Interested Person Transactions (including the Mandated Transactions) as set out in this Appendix have been adhered to. Any discrepancies or significant variances from the Group's usual business practices and pricing policies will be highlighted to the Audit Committee; and

Appendix II

(f) if, during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh Shareholders' general mandate for Interested Person Transactions, including the Mandated Transactions) to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.6 Validity period of the Proposed IPT General Mandate

The Proposed IPT General Mandate is subject to Shareholders' approval and, if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the AGM, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the Proposed IPT General Mandate at each subsequent AGM (or any Extraordinary General Meeting held on the same day as the AGM) subject to satisfactory review by the Audit Committee of the continued requirement of the Proposed IPT Mandate and the sufficiency of the guidelines and review procedures to ensure that the transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.7 Disclosures

The Company shall announce the aggregate value of all transactions entered into with Interested Persons pursuant to the Proposed IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

Disclosure shall also be made in the annual report of the Company of the aggregate value of all transactions conducted with the Interested Persons pursuant to the Proposed IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the Proposed IPT General Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

The name of the Interested Person, nature of relationship and the corresponding aggregate value of the Interested Person Transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of Interested Person	**Nature of relationship**	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalist Rules**	**Aggregate value of all Interested Person Transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)**

Appendix II

2.8 Advice of the Independent Financial Adviser to the Independent Directors

RHT Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Independent Directors (being Mr. Lui Seng Fatt, Dr. Toh See Kiat and Mr. Hor Siew Fu) to, *inter alia*, opine on whether the guidelines and review procedures as set out in Section 2.5 of this Appendix are sufficient to ensure that the Interested Person Transactions covered under the Proposed IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter in relation to the Proposed IPT General Mandate is reproduced in Annex to this Appendix. Shareholders are advised to read the IFA Letter carefully.

The following is an extract from Section 4 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"***4. OUR OPINION***

In arriving at our recommendations in respect of the IPT General Mandate, we have taken into consideration, inter alia, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(i) Rationale and benefits of the adoption of the IPT General Mandate;

(ii) Classes of interested persons;

(iii) Nature and scope of the IPT General Mandate;

(iv) Guidelines and review procedures for Interested Person Transactions with Interested Persons;

(v) Validity period of the IPT General Mandate; and

(vi) Disclosures in the annual report.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures for determining the terms of the IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the IPT General Mandate, and we do not warrant the merits of the IPT General Mandate. "

2.9 Audit Committee Statement

The Audit Committee, having considered, *inter alia*, the rationale, benefits and the guidelines and review procedures for the Proposed IPT Mandate and the reviews to be made periodically by the Audit Committee in relation thereto, are of the view that the guidelines and review procedures set out in Section 2.5 above for determining transaction prices in respect of the Mandated Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Appendix II

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable date based on information as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Direct Interest		Deemed Interest		No. of unissued ordinary shares under the Scheme and the Share Plan
Directors	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**No. of shares**
Ong Boon Chuan	–	–	2,156,703,100(3)	85.89	34,026,771(5)
Lui Seng Fatt	–	–	–	–	–
Toh See Kiat	–	–	–	–	–
Hor Siew Fu	–	–	–	–	–
Ong Kai Hoe(6)	–	–	–	–	–
Substantial Shareholders (other than Directors)					
B&L Group Pte. Ltd.(2)	1,815,272,000	72.29	–	–	–
Kok Lee Kuen	341,431,100	13.60	1,815,272,000(4)	72.29	–

Notes:-

(1) Based on 2,510,923,690 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date

(2) As at the Latest Practicable Date, Mr. Ong holds 70% of the entire issued share capital in B&L Group Pte. Ltd. and his spouse, Mdm. Kok Lee Kuen owns 30% of the entire issued share capital in B&L Group Pte. Ltd.

(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, Chapter 50.

(4) 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, Chapter 50.

(5) As per Latest Practicable Date, pursuant to the Scheme and Share Plan, there are 27,221,417 options and 6,805,354 share awards granted to Mr. Ong.

(6) Mr. Ong is the father of Mr. Ong Kai Hoe.

Save as set out above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed IPT General Mandate (other than through their respective shareholdings in the Company).

4. INDEPENDENT DIRECTORS' RECOMMENDATIONS

Save for Mr Ong and Mr Ong Kai Hoe who will abstain from making any recommendation on the Proposed IPT General Mandate as Directors of the Company, the remaining Directors, namely Dr Toh See Kiat, Mr Lui Seng Fatt and Mr Hor Siew Fu are deemed to be independent for the purpose of the Proposed IPT General Mandate. The Independent Directors having considered, the rationale and information relating to the Proposed IPT General Mandate, the opinion of the Independent Financial Adviser as set out in the IFA Letter in relation to the Proposed IPT General Mandate, are of the opinion

Appendix II

that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Mandated Transactions described in Section 2.4.1 above in their ordinary course of business with the Mandated Interested Person for reasons stated in this Appendix. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Proposed Resolution.

5. ABSTENTION FROM VOTING

Mr. Ong will abstain from voting on the Proposed Resolution and has undertaken to ensure that his associates will abstain from voting (in compliance with Rule 919 and Rule 920(1)(b)(viii) of the Catalist Rules) in respect of the Proposed Resolution. Mr. Ong shall also decline and has undertaken to ensure that his associates shall also decline, to accept appointment as proxies to vote at and attending the forthcoming AGM in respect of the Proposed Resolution unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

The Company will disregard any votes cast on a resolution by the person required to abstain from voting by the listing rule or pursuant to a court order where such court order is served on the Company.

6. CONSENTS

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Appendix with the inclusion of its name, its IFA Letter in relation to the adoption of the Proposed IPT General Mandate dated 15 April 2020 as set out in Annex of this Appendix and all references thereto, in the form and context in which they appear in this Appendix.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf, may complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time fixed for the AGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the AGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be entitled to attend and vote at the AGM unless he is shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by CDP to the Company.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

Appendix II

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours from the date of this Appendix up to and including the date of the AGM:-

(a) the Constitution of the Company;

(b) the Annual Report for FY2019;

(c) the IFA Letter in relation to the proposed adoption of the IPT General Mandate; and

(d) the consent letter from the IFA.

Yours faithfully
For and on behalf of the Board of Directors of
Edition Ltd.

Toh See Kiat (Dr)
Chairman

Appendix II

ANNEX
IFA LETTER IN RELATION TO THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

RHT CAPITAL PTE. LTD.
(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
9 Raffles Place, #29-01
Republic Plaza Tower 1
Singapore 048619

15 April 2020

To: The Independent Directors of Edition Ltd.
(deemed to be independent in respect of the IPT General Mandate)

Dr Toh See Kiat	(Chairman and Independent Director)
Mr Lui Seng Fatt	(Independent Director)
Mr Hor Siew Fu	(Independent Director)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE IPT GENERAL MANDATE (AS DEFINED HEREIN)

*Unless otherwise defined or the context otherwise requires, all terms defined in the appendix dated 15 April 2020 issued by the Company to shareholders of the Company ("**Appendix**") shall have the same meaning herein.*

1. INTRODUCTION

Edition Ltd. ("**Company**", and together with its subsidiaries, "**Group**") is in the business of: (i) carrying out high-tech agricultural production on land that is either rented or acquired; (ii) expanding its agricultural business organically or through potential acquisitions and joint ventures; and (iii) trading and/or distributing agricultural related products.

Through its direct wholly-owned subsidiary, Meod Pte. Ltd. ("**MEOD**"), the Group currently operates a 1-hectare farm at Kranji and possesses an agricultural land parcel of 6-hectares at Neo Tiew Harvest Lane where the Group is in the process of developing a modern high-technology farm to be carried out in several phases. The Group will engage suitable contractor(s) for: (a) the first and second phase of the development, which will comprise the proposed construction of a modern high-technology farm; and (b) the third phase of the development which will comprise the proposed construction of other ancillary buildings and facilities, including but not limited to workers dormitories, restaurants, offices, and research and development laboratories to support the production and conduct of its farming activities ("**Project**").

The Company will be engaging suitable contractor(s) for the Project and may continue to engage the contractor(s) to provide construction services for future construction projects of high-technology farms for the Group.

Thye Chuan Engineering Construction Co. Pte Ltd ("**TCEC**"), a company which carries out its principal business activities as general contractors (building construction including major upgrading works and other specialised construction and related activities), has indicated its interest to be considered as a main contractor for the Project and other future construction projects of high-technology farms for the Group. TCEC is a "B2" registered contractor in the category of general building (CW01) with Building and Construction Authority ("**BCA**").

Appendix II

TCEC is the wholly-owned subsidiary of TG Corporation Holdings Pte. Ltd. (“**TGC**”), a company founded by Mr Ong Boon Chuan (“**Mr Ong**”) who is a director of TGC and holds shares representing 83.7% of the issued share capital in TGC. The remaining 16.3% shareholding interest in TGC is held by Mdm Kok Lee Kuen, the spouse of Mr Ong. Mr Ong is also the Executive Director and Chief Executive Officer and a controlling shareholder of the Company. As at 30 March 2020 (“**Latest Practicable Date**”), he is deemed to be interested in 2,156,703,100 shares in the capital of the Company, representing 85.9% of its issued share capital.

Mr Ong’s sons namely: (i) Mr Ong Kai Hoe is the manager of TCEC and the Non-Executive and Non-Independent Director of the Company; and (ii) Mr Ong Kai Hian is an Executive Officer of the Company and serves as the Executive Director of MEOD.

Under the definition set out in the Listing Manual, Section B: Rules of the Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), TCEC, Mr Ong Kai Hoe and Mr Ong Kai Hian are deemed to be associates of Mr Ong. Pursuant to Rule 904(4) of the Catalist Rules, each of Mr Ong, TCEC, Mr Ong Kai Hoe and Mr Ong Kai Hian is an interested person (“**Interested Person**”) and pursuant to Rule 904(5) of the Catalist Rules, transactions between an entity at risk and interested persons are deemed to be interested person transactions (“**Interested Person Transactions**”). Accordingly, any transactions entered into by the Group with Interested Persons would be deemed as Interested Person Transactions which would be subjected to approval by shareholders of the Company (“**Shareholders**”) should the aggregate value of such Interested Person Transactions exceed 5.0% of the Group’s audited net tangible assets for the latest audited financial year.

As set out in the Group’s full year results announcement for financial year ended 31 December 2019 (“**FY2019**”), the Group has existing Interested Person Transactions with TCEC where TCEC had supplied labour to MEOD for the construction of greenhouse and the maintenance of its agricultural premises. The Group had signed a letter of award with TCEC during FY2019 for temporary works to be constructed on the land parcels at Neo Tiew Harvest Lane to prepare the site which includes building of temporary workers quarters and container toilets, temporary hoarding for workers quarters and boundary hoarding and chain link fence around the farm site. We note that the Interested Person Transactions entered by the Group with TCEC in FY2019 had amounted to S$576,000, which is below 5.0% of the Group’s audited net tangible assets as at 31 December 2018, being the latest audited financial year when the above Interested Person Transactions were entered into by the Group.

As TCEC may be appointed by the Company as the main contractor for the Project and other future construction projects of high-technology farms for the Group, the Company intends to seek the approval of shareholders of the Company (“**Shareholders**”) for the proposed adoption of a general mandate for Interested Person Transactions in relation to general construction services which may be rendered by TCEC for the construction of high-technology farms for the Group, including but not limited to the Project (“**IPT General Mandate**”). The IPT General Mandate will not be in respect of any purchase or sale of assets, undertakings or businesses.

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to appoint an independent financial adviser (“**IFA**”) to opine on whether the methods or procedures for determining transaction prices are sufficient to ensure that the Interested Person Transactions pursuant to the IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

In addition, pursuant to Rule 919 of the Catalist Rules, Mr Ong and his associates and nominees will abstain from voting in respect of his direct or indirect shareholdings in the Company on the resolution for the IPT General Mandate at the annual general meeting (“**AGM**”) of the Company to be convened. He will also decline any appointment to act as proxies to vote at the AGM in respect of the ordinary resolution pertaining to the IPT General Mandate unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the AGM.

Appendix II

Accordingly, RHT Capital Pte. Ltd. ("**RHTC**") has been appointed by the Company as the IFA to the Independent Directors to render the following opinions on whether the guidelines and review procedures for determining the terms of the IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

Save for Mr Ong and Mr Ong Kai Hoe who will abstain from making any recommendation on the IPT General Mandate as Directors of the Company, the remaining Directors, namely, Dr Toh See Kiat, Mr Lui Seng Fatt and Mr Hor Siew Fu are deemed to be independent for the purpose of the IPT General Mandate ("**Independent Directors**").

This letter ("**Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and recommendation on the IPT General Mandate. This Letter forms part of the Appendix to Shareholders which provides, *inter alia*, the details of the IPT General Mandate and the recommendation of the Independent Directors thereon.

2. TERMS OF REFERENCE

The purpose of this Letter is to provide independent opinions, for the purpose of Chapter 9 of the Catalist Rules, on whether the guidelines and review procedures for determining the terms of the IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the IPT General Mandate nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the IPT General Mandate. We do not, by this Letter, warrant the merits of the IPT General Mandate other than to form an opinion on whether the guidelines and review procedures for determining the terms of the IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors, the management of the Company ("**Management**") and the Company's advisers. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Appendix) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Appendix which relate to the IPT General Mandate and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in the Appendix misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the guidelines and review procedures of the IPT General Mandate and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

Appendix II

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our opinions as set out in this Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the IPT General Mandate which may be released by the Company after the Latest Practicable Date.

In rendering our opinions, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Appendix (other than this Letter set out in the Appendix). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Appendix (other than this Letter set out in the Appendix).

This Letter sets out, *inter alia*, our opinions on whether the guidelines and review procedures for determining the terms of the IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders and should be considered in the context of the entirety of this Letter and the Appendix.

3. THE IPT GENERAL MANDATE

As set out in Paragraph 1 above, the Group intends to engage suitable contractor(s) for the Project and for future construction projects in relation to the construction of high-technology farms for the Group.

The contractor engaged shall undertake the role of a main contractor and perform the following services pursuant to a service agreement to be entered into ("**Agreement**"):

(a) All preliminaries such as site preparatory work;

(b) Demolition and site clearance;

(c) Excavation and temporary works;

(d) Construction of sub structures and super structures;

(e) Construction of structural steel works;

(f) All mechanical and electrical works;

(g) All external works including the construction of walls, gates, fencing and drainage;

(h) All buildings finishes including the finishes for walls, floors, ceilings, staircases, construction of timber ceilings, timber doors, windows, roofing, glass lift enclosure, and sundries;

(i) system installation works; and

Appendix II

(j) all other works required for a modern high-technology farm to commence production and conduct its farming activities.

It is intended that the contract(s) will be awarded on the following principal terms:

(a) the main contractor must be at least a grade “B2” registered contractor in the category of general building (CW01) with the BCA to ensure that it has the requisite professional technical expertise and capability to undertake and complete the Project;

(b) the main contractor shall be required to have such minimum paid up issued capital as may be required by the Audit Committee; and

(c) the main contractor to provide a/an undertaking that it will have sufficient finances to undertake and complete the Project.

3.1 Rationale and benefits of the adoption of the IPT General Mandate

It is not within our terms of reference to comment or express an opinion on the merits of the IPT General Mandate or the future prospects of the Group after adoption of the IPT General Mandate. Nevertheless, we have reviewed the rationale for and benefits of adopting the IPT General Mandate, of which the full text of the rationale for and the benefits of adopting the IPT General Mandate can be found in Section 2.3 of the Appendix, and which are reproduced in italics below:

*“**2.3 Rationale and benefits of the adoption of the IPT General Mandate***

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the adoption of the IPT General Mandate to enable the Group to enter, in the ordinary course of business, into any of the Mandated Transactions with the Mandated Interested Person, provided that such transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions.

The Proposed IPT General Mandate, if approved by the Shareholders at the AGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders’ prior approval as and when Mandated Transactions arise, provided that such transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The Group will benefit from having access to competitive quotes from its Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons.

The proposed IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the operational strengths of its Interested Persons and reduce overlapping costs to achieve greater growth.”

Appendix II

3.2 Classes of Interested Persons

The IPT General Mandate will apply only to the transactions that are proposed to be carried out between the Group and TCEC.

TCEC is referred to as the "Mandated Interested Person" in the Appendix.

3.3 Nature and scope of the IPT General Mandate

Under the IPT General Mandate, transactions with TCEC would be entered into in the ordinary course of business and of a revenue or trading nature and would be carried out in accordance with the review procedures for Interested Person Transactions on normal commercial terms which will not be prejudicial to the interests of the Company and its minority Shareholders.

The transactions mandated under the IPT General Mandate relates to general construction services provided by TCEC, in the capacity of a main contractor to the Group, which shall include, but not be limited to the proposed construction of a modern high-technology farm and/or other ancillary buildings and facilities required for the production and conduct of its farming activities at Neo Tiew Harvest Lane. The Group may continue to engage TCEC, in the capacity of main contractor, to provide construction services for future construction projects in relation to the construction of the high-technology farms for the Group.

The above transactions mandated under the IPT General Mandate are collectively referred to as "Mandated Transactions" in the Appendix.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandate.

The IPT General Mandate will not cover any transaction by a member in the Group with any Interested Person that is below S$100,000 in value as the threshold and aggregation requirements in Chapter 9 of the Catalist Rules would not apply to such transactions.

Transactions with Interested Persons that do not fall within the ambit of the IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

3.4 Guidelines and review procedures for Interested Person Transactions with Interested Persons

To ensure that all Interested Person Transactions are carried out at an arm's length basis, on normal commercial terms and will not prejudicial to the interests of the Company and its minority Shareholders, the Company has established the following procedures for the review and approval of any Interested Person Transactions under the IPT General Mandate.

The full text of the review procedures for all Interested Person Transactions going forward are set out in Section 2.5 of the Appendix and reproduced in italics below:

"2.5 Review Procedures for Interested Person Transactions with Interested Persons

To ensure that all Mandated Transactions are carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will implement the following procedures for the review and approval of the Interested Person Transactions under the Proposed IPT General Mandate.

Appendix II

*All Mandated Transactions shall be conducted in accordance with the Group's usual business practices and policies in addition to the approved review procedures under this Appendix. At the commencement of each stage of this Project, the Group will have in place a project team comprising of the Company's financial controller and a professional independent third-party such as an architect or a quantity surveyor (the "**Independent Project Team**").*

The responsibilities of the Independent Project Team include, inter alia:

(a) Nominating and shortlisting construction service providers;

(b) Preparing documentation in relation to requests for quotations and requesting quotations from shortlisted construction service providers; and

(c) Evaluating the quotations submitted by the construction service providers.

In the event that the Independent Project Team recommends the award of the construction services contract to the Mandated Interested Person, we will seek the prior approval of the Audit Committee before awarding the contract to the Mandated Interested Person. The approval shall be subject to:

(a) declaration of independence of the members of the Independent Project Team;

(b) the completion of a quotation evaluation report prepared by the Independent Project Team, detailing their review of the quotations received, including summaries and comparison of cost breakdown, recent track record, the size of the construction team, the qualifications of the key construction team members, duration and payment milestones, the issued share capital of the contractor and the grade of the contractor awarded by the BCA;

(c) the quotation evaluation report containing quotations from at least two unrelated third parties, for the same or substantially similar projects and contemporaneous in time and the contractual sum to be awarded to the Mandated Interested Person is not more favourable to the Mandated Interested Person as compared to unrelated third parties;

(d) in the event that the quotation evaluation report contains less than two quotations from unrelated third parties, the Mandated Interested Person shall provide two of its construction service contracts entered into with unrelated third parties, for substantially similar projects and contemporaneous in time, for review by the Independent Project Team. Where the Mandated Interested Person is unable to provide such construction service contracts entered into previously with unrelated third parties, TCEC shall use its best efforts to provide similar quotes to the satisfaction of the Project Team subject to the Audit Committee's approval; and

(e) the Mandated Interested Person continues to hold the relevant qualification(s) and licence(s).

Before deciding whether to approve or reject the Mandated Transaction, the Audit Committee will evaluate and weigh the benefits of, and rationale for transacting with the Mandated Interested Person, which will include amongst others, the complexity of the project, the availability of the requisite expertise, considerations of the efficiencies and flexibilities derived by the Company in transacting with the Mandated Interested Person compared with transacting with unrelated third parties. In determining the terms of the transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

Appendix II

2.5.1 Approval threshold for Interested Person Transactions with Interested Persons

The prior approval of the Audit Committee is required for all Mandated Transactions. For Variation Orders, the following approval threshold will be adopted by our Group as follows:

Value of each variation order	*Designated Approval Authority*
Less than S$50,000	*The prior approval of Financial Controller and architect or quantity surveyor*
Greater than or equal to S$50,000	*The prior approval of the Audit Committee*

The above thresholds are determined based on the anticipated value of the contract and taking into account of reasonable checks to be put in place without disrupting the operational efficiency of the Group. The Independent Project Team will closely monitor the Project's expenditure. In the event if there is a budget overrun, the Company will obtain prior approval from the Audit Committee before proceeding to approve any more variation orders and/or with the construction of the Project. If necessary, the Audit Committee may at its discretion obtain independent advice.

If any member of the Audit Committee has an interest in an Interested Person Transaction, he or she will abstain from any review, deliberation or decision making in respect of that Interested Person Transaction.

2.5.2 Additional review procedures for Interested Person Transactions with Interested Persons

We will also implement the following procedures for the identification of interested persons and the record of all interested person transactions:

(a) *our finance team will maintain a list of the Interested Persons and their Associates (which is to be updated immediately if there are any changes) to enable identification of the Interested Persons. The list of Interested Persons shall be reviewed on a half-yearly basis by the Financial Controller and be subject to such verifications or declarations as required by the Audit Committee for such period as determined by it. A list of the Interested Persons shall be disseminated to all staff of our Group that we consider relevant for the purposes of entering into Interested Person Transactions. In the event that we need to include new interested person(s) as Mandated Interested Person(s), we will take actions as we deem appropriate (such as to obtain a fresh Shareholders' general mandate for Mandated Transactions);*

(b) *we will maintain a register of Interested Person Transactions ("**IPT Register**") carried out with Interested Persons (including the Mandated Transactions), which will record and document the identities of the Interested Persons, the basis, including the quotations, key documents and other evidence obtain to support such basis on which they were entered into, as well as the approving authority. The IPT Register will also contain invoices and payment vouchers in relation to the Interested Person Transactions. All subsequent Variation Orders relating to the Mandated Transactions, shall be kept in the IPT Register;*

(c) *the IPT Register will also record any Interested Person Transactions (including the Mandated Transactions) that are below S$100,000 in value, although such transactions are not required to be aggregated for the purpose of the IPT General Mandate. The Financial Controller shall review the IPT Register on a monthly basis;*

Appendix II

(d) *the Audit Committee shall review the IPT Register on a half-yearly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ensure that all Interested Person Transactions are on normal commercial terms and all Mandated Transactions are carried out in accordance with the established review procedures under the Proposed IPT General Mandate. Such review includes the examination of the transactions, its supporting documents, Variation Orders, or such other data deemed necessary by the Audit Committee. Our Audit Committee may request for any additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit;*

(e) *the internal auditors will, on an annual basis, review the IPT Register to ascertain that the guidelines and procedures established to monitor all Interested Person Transactions (including the Mandated Transactions) as set out in this Appendix have been adhered to. Any discrepancies or significant variances from the Group's usual business practices and pricing policies will be highlighted to the Audit Committee; and*

(f) *if, during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh Shareholders' general mandate for Interested Person Transactions, including the Mandated Transactions) to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.*

3.5 Validity period of the IPT General Mandate

If the IPT General Mandate is approved at the AGM, it will take effect from the date of the passing of the ordinary resolutions at the AGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier.

Approval from the Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent annual general meeting of the Company subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Interested Persons.

Appendix II

3.6 Disclosures in the annual report

The Company will announce the aggregate value of all transactions entered into with Interested Persons pursuant to the IPT General Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such reports in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

Disclosure shall also be made in the annual report of the Company of the aggregate value of the Interested Person Transactions conducted with the Interested Persons pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of Interested Person	**Nature of relationship**	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalist Rules**	**Aggregate value of all Interested Person Transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)**

Appendix II

4. OUR OPINION

In arriving at our recommendations in respect of the IPT General Mandate, we have taken into consideration, *inter alia*, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(i) Rationale and benefits of the adoption of the IPT General Mandate;

(ii) Classes of interested persons;

(iii) Nature and scope of the IPT General Mandate;

(iv) Guidelines and review procedures for Interested Person Transactions with Interested Persons;

(v) Validity period of the IPT General Mandate; and

(vi) Disclosures in the annual report.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures for determining the terms of the IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the IPT General Mandate, and we do not warrant the merits of the IPT General Mandate.

We have prepared this Letter for the use of the Independent Directors in connection with and for the purposes of their consideration of the IPT General Mandate. The recommendation made by them to the Shareholders in relation to the IPT General Mandate shall remain the sole responsibility of the Independent Directors. Whilst a copy of this Letter may be reproduced in the Appendix, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the AGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

Statistics of Shareholdings

As at 30 March 2020

Distribution of Shareholders by Size of Shareholdings as at 30 March 2020

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 shares issued excluding treasury shares	:	12,374,000 (0.49%)
Number of subsidiary holdings	:	Nil

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	4	0.86	94	0.00
100 - 1,000	51	10.92	20,000	0.00
1,001 - 10,000	69	14.77	405,330	0.02
10,001 - 1,000,000	298	63.81	60,224,118	2.40
1,000,001 and above	45	9.64	2,450,274,148	97.58
Total	**467**	**100.00**	*** 2,510,923,690**	**100.00**

* Shareholdings exclusive of 12,374,000 treasury shares

Substantial Shareholders as at 30 March 2020

	Direct Interests		Deemed Interests	
Name	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
B&L Group Pte. Ltd.	1,815,272,000	72.29	–	–
Kok Lee Kuen	341,431,100	13.60	1,815,272,000(2)	72.29
Ong Boon Chuan	–	–	2,156,703,100(3)	85.89

(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 30 March 2020

Twenty Largest Shareholders as at 30 March 2020

	Shareholder's Name	No. of Shares	%
1	B&L GROUP PTE LTD	1,815,272,000	72.29
2	KOK LEE KUEN	341,431,100	13.60
3	CITIBANK NOMINEES SINGAPORE PTE LTD	57,687,200	2.30
4	KHOO AI WAH	49,000,000	1.95
5	LAU SING @ LIEW SING HUN OR LAU SEA HUAN @ LAU KOK HAN	20,000,000	0.80
6	MAYBANK KIM ENG SECURITIES PTE LTD	18,737,650	0.75
7	PHILLIP SECURITIES PTE LTD	15,042,050	0.60
8	KHAIZAL BIN KHAMIS	11,810,000	0.47
9	KOK YIN LEONG	10,825,000	0.43
10	OCBC SECURITIES PRIVATE LTD	10,310,048	0.41
11	RAMESH S/O PRITAMDAS CHANDIRAMANI	10,000,000	0.40
12	LUO FENG	9,589,500	0.38
13	LIEW SHIAU WEI OR LIEW SHIAU MIN	6,009,000	0.24
14	TAN CHEE WAN	4,500,000	0.18
15	GOH GUAN SIONG (WU YUANXIANG)	4,234,000	0.17
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,979,500	0.16
17	TAN ENG HONG	3,946,900	0.16
18	LIM KIEN WEE	3,500,000	0.14
19	WANG HUI	3,300,000	0.13
20	CHEN CHIN EE	3,222,400	0.13
	Total *	**2,402,396,348**	**95.69**

* 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 30 March 2020, approximately 14.11% 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.

Statement on extension of time to hold Annual General Meeting

In view of the constantly evolving COVID-19 situation, the Company reserves the right to take such precautionary measures as may be appropriate at the AGM, including any precautionary measures as may be required or recommended by government agencies or the Singapore Exchange Regulation ("**SGX RegCo**") from time to time, in order to minimise the risk of community spread of COVID-19.

The Ministry of Health of Singapore (the "**MOH**") had on 24 March 2020 issued an advisory requiring events and mass gatherings (e.g. conferences, exhibitions, festivals, concerts, sporting events and trade fairs) to be deferred or cancelled, regardless of size and for any other social events and gatherings to involve 10 or less persons at any one time (the "**MOH Advisory**").

Further to the MOH Advisory, the SGX RegCo had on 25 March 2020 announced that it is working with other relevant government agencies to propose legislative amendments with a view to introducing the amendments for the Parliament sitting in April 2020, in relation to the conduct of meetings (the "**SGX Announcement**"). The proposed legislation will allow issuers the flexibility to hold meetings solely by virtual means, notwithstanding any contrary provisions in their constitutive documents. Issuers are to put in place arrangements for participants to cast their votes remotely.

The Securities Investors Association (Singapore) had also on 25 March 2020 issued a press statement (the "**SIAS Press Release**") acknowledging that companies will now have to restrict the number of attendees at their annual general meetings to less than 10 attendees and encouraging shareholders to participate at annual general meetings via other means, namely (a) sending questions ahead of the meeting; (b) exercising their right to vote through the submission of proxy forms and (c) watching the webcast of the meeting.

On 7 April 2020, the SGX RegCo had announced that it will automatically extend the deadline to hold the AGM by 60 days for all issuers with financial year-end, on or before 31 March 2020 ("**Automatic Extension of Time**"). The Company had on 31 March 2020 made an application to the Accounting and Corporate Regulatory Authority ("**ACRA**") under the Companies Act, Cap 50 for an extension of time of 60 days to hold the Company's AGM and file the annual return for the financial year ended 31 December 2019 (the "**Application**"). ACRA had on 6 April 2020 granted approval for the Application and the Company has to hold the AGM by 29 June 2020.

In reliance on the Automatic Extension of Time, the Company will be notifying SGX RegCo, by way of email, the following in respect of the automatic 60-day extension of time:

(i) The Company's financial year end is 31 December 2019;
(ii) The indicative timeline to convene the Company's AGM;
(iii) The Company's annual report will be published by 15 April 2020; and
(iv) The Board of Director's confirmation that the Automatic Extension of Time will not be in contravention of any laws and regulations governing the Company and its Constitution.

As such, the Notice of AGM and Proxy Form will be released in due course and please note that the Company may also be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the SGX-ST's website for updates on the AGM.

Edition Ltd.
ACRA No. 200411873E

Incorporated in the Republic of Singapore
on 16 September 2004

Principal Place of Business
78 Gilstead Road
Singapore 309116

Tel: 65 6440 6633
Fax: 65 6258 1081