Edition

Edition Ltd. Annual Report 2016

Contents

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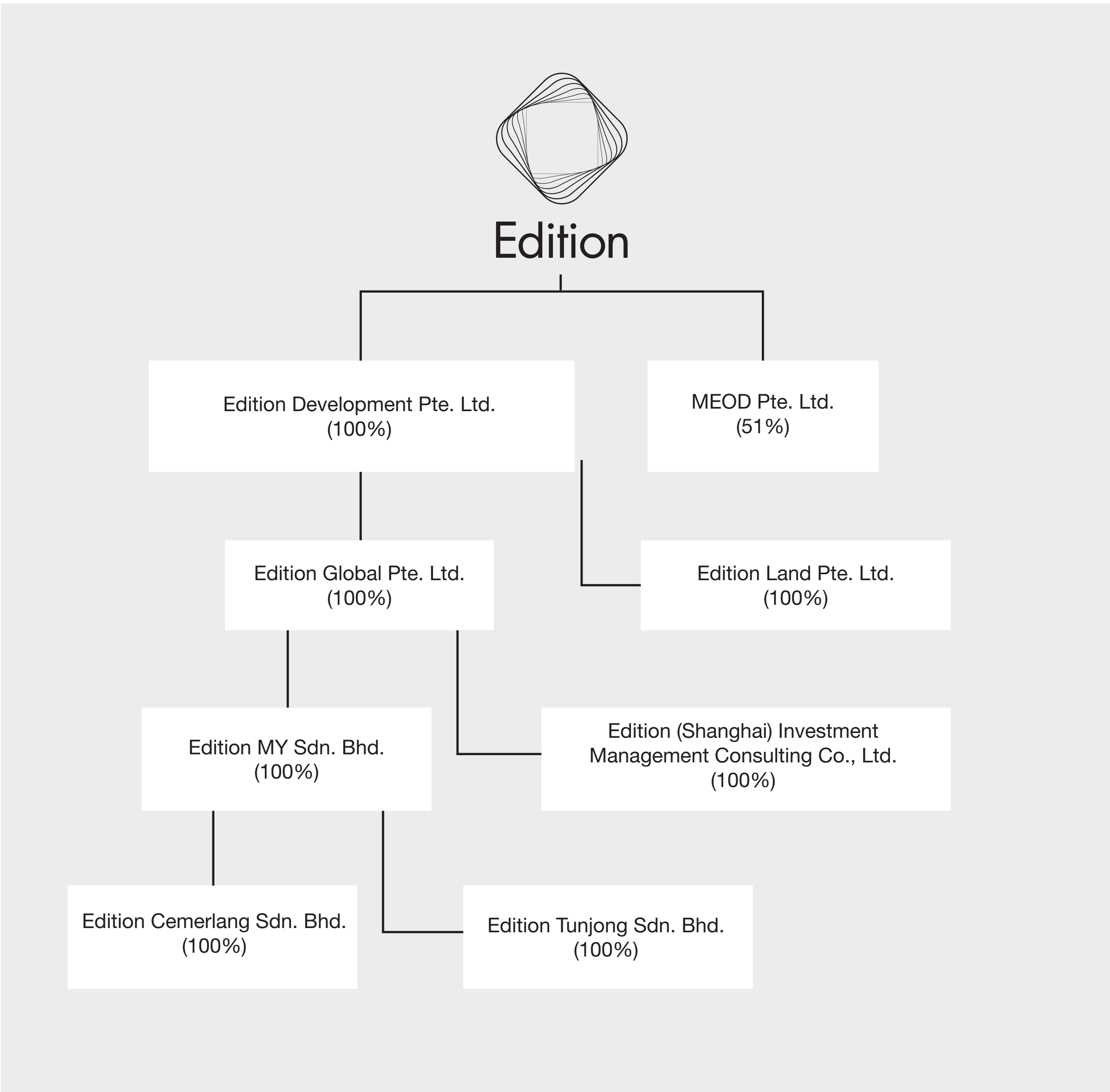
This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: 65-6532 3829) at 1 Robinson Road, #21-02, AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

Corporate Profile

Edition Ltd. ("**EDL**", the "**Company**") is a company that operates in two principal segments, i.e. property development and agricultural business, through subsidiary corporations in Singapore and Malaysia (the "**Group**").

Under the property development business, the Group presently has a development project held through the subsidiary corporation in Kota Bharu, Kelantan. Separately under the agricultural segment, the Group has substantially completed construction of a greenhouse in Kranji, based on hi-tech planting technologies which are modular, scalable and automated in the planting process. Our produces in the pipeline include fruits and leafy vegetables, the quality and yield of production is expected to be higher as compared to conventional farming under the fully controlled environment. We envisaged to be one of the main suppliers for local farm produces, with a focus to deliver quality, safe and production with the right value.



CEO's Statement

FY2016 is a challenging year to our property development segment, largely attributable to strong market competition. With the limited financial resources, we continued to face substantial hurdles to source for property development opportunities that can fit into our strategy and risk appetite. On the other hand, progress of our agricultural division was more promising, farming activities have been carried out and we can expect to have majority of our revenue contribution from this segment in FY2017.

CEO's Statement

Disposal of Onion Holdings Co., Ltd ("Onion")

In FY2016, the Group had disposed all the remaining interests in Onion, our former primary subsidiary corporation in Korea, to various Korean investors as well as in the form of treasury shares repurchased by Onion. The disposal signified a milestone completed during the year. Going forward, the Korean loss making operations shall cease to impact the Group financially. Without this risk exposure, the Group will be able to conserve all its management time as well as financial resources in our existing core businesses.

Upcoming realization of agricultural production by MEOD Pte. Ltd. ("MEOD")

Our greenhouse owned by the Group's 51%-owned subsidiary corporation, MEOD has an area that spans approximately 10,000 sqm, which is also one of the first greenhouses leveraging on hi-tech smart drip and micro-irrigation planting system in Singapore, has been substantially completed. The first batch of production, including charentais melon, rock melon, cherry heirloom and truss on vine, will be delivered to our customers by April 2017. Based on the technologies that we deploy, the planting process from nurturing, irrigation system, fertigation system, nutrients distribution and wastage management, are highly automated. The produce is also free from chemical pesticides, which is in line with the government's objective to encourage more efficient, greener and healthier local vegetable and fruits produce. As this is our first greenhouse in Singapore, the Management is also mindful about the operations and continue to fine-tune the right operation mix to ensure production yield of the crops and also to safeguard our produce quality. Nevertheless, we are confident with our product, if the right opportunities arise, we will deploy more resources to grow the segment at a faster pace.

Future Direction and Our Appreciation

In view of the difficulties faced by our property development segment as well as the inherent risk of undertaking development projects at large gross development value, the Group intends to grow our agricultural segment, as well as investment in other hi-tech companies more intensively in the near future.

Lastly, I would like to take this opportunity to extend our appreciation to Mr. Lee Jei Hoon following his retirement from the Board in FY2016.

On behalf of the Board of Directors, I would like to thank all stakeholders for the continual support and unwavering confidence they have given to the Group.

ONG BOON CHUAN
Executive Chairman and Chief Executive Officer

Review of Results

Turnover

The Group has disposed Onion Holdings Co., Ltd ("Onion"), which was a 57.5%-owned subsidiary previously, during the year under review. Correspondingly, the financial results in relation to the software solutions segment in Korea, has been reclassified as discontinued operations in FY2015 and FY2016. For FY2016, revenue increased from US$0.01 million to US$0.14m or 1136%, mainly due to contribution of agricultural sales from the 51%-owned subsidiary, Meod Pte. Ltd. ("MEOD"). There was no significant revenue contribution from the property development segment.

Other Gains

Other gains was US$0.25 million in FY2016, as compared to US$0.11 million in FY2015, mainly due to higher interest income received during the year.

Operating Expenses

Total expenses increased by 13% from US$1.66 million in FY2015 to US$1.88 million in FY2016, mainly due to additional overheads from employees' compensation, rental expense on operating lease incurred for operation in MEOD. Change in inventories increase from US$0.02 million to US$0.13 million, mainly due to agricultural sales carried out by MEOD in FY2016. Depreciation, amortisation and impairment charges increased by 59% from US$0.02 million in FY2015 to US$0.03 million in FY2016, which was mainly due to full depreciation of more fixed assets. No depreciation for the greenhouse in MEOD has been recognised in FY2016 as it is still in the construction and development stage as at 31 December 2016. Meanwhile, professional fees has also decreased by 35% from US$0.37 million in FY2015 to US$0.24 million in FY2016, as there were lower volume of corporate exercises in FY2016. The decrease was offset by increase in other expenses, mainly due to business development activities that were carried out in FY2016 where the Group has continuously explored business opportunities in the Asia Pacific region.

Net Loss and Taxation

As a result of the above, the Group registered a net loss before tax of US$1.50 million in FY2016, as compared with a net loss of US$1.54 million in FY2015. Tax expense of US$0.08 million incurred was mainly due to disposal of Onion. Meanwhile, the results from discontinued operations, registered a loss of US$1.82 million, this included a loss on disposal of US$1.66 million and the operating loss at Onion for the period. The loss attributable to shareholders increased by 151% to US$2.99 million in FY2016, as compared to a loss of US$1.19 million in FY2015, mainly due to the one-off loss on disposal of all interests in Onion. Non-controlling interests registered a loss of US$0.34 million, as compared to profit of US$0.11 million in FY2015. Loss from continuing operations attributable to equity holders reduced from US$1.49 million in FY2015 to US$1.19 million in FY2016, or a reduction of 20%. From the discontinued operations, the Group also registered a loss of US$1.79 million in FY2016, as compared to a profit of US$0.30 million in FY2015.

Balance Sheet and Statement of Cash Flow

Compared to 31 December 2015, the Group's cash and cash equivalent balances have decreased by US$1.83 million, from US$19.87 million to US$18.04 million as at 31 December 2016, mainly due to overheads incurred at the holding company level and the subsidiary in the agricultural segment. The decrease in trade and other receivables from US$0.60 million to US$0.26 million was mainly due to the disposal of Onion, which the Group no longer consolidates as at 31 December 2016.

Similarly, as a results of the disposal, the group has ceased to consolidate Onion's results as at 31 December 2016, hence, investment property has reduced from US$3.78 million as at 31 December 2015 to nil as at 31 December 2016. The disposal is also attributable for the decrease in available-for-sale financial assets, transferable club membership and other receivables. Property, plant and

Review of Results

equipment has reduced from US$1.75 million to US$1.42 million. The decrease was mainly due to the disposal of Onion which amounted to approximately US$1.59 million and was offset by an increase of US$1.44 million mainly attributable to the construction work in progress for MEOD's greenhouse farm in Kranji.

Trade and other payables increased from US$0.39 million as at 31 December 2015 to US$0.46 million as at 31 December 2016, which was in line with the expenditures incurred for the construction of the greenhouse farm. As mentioned above, derecognition of Onion's assets and liabilities also resulted the decrease of non-current borrowings of US$4.69 million, retirement benefits of US$0.17 million and other non-current payable of US$0.17 million as at 31 December 2015.

As a result of the above, net current assets of the Group stood at US$17.85 million as at 31 December 2016, a reduction of US$2.25 million as compared to the previous comparative period.

The inflows and outflows of cash are detailed in the Group Consolidated Statement of Cash Flows. The net cash outflow from operating activities was mainly due to operating expenses which was largely attributable to employees' compensation and business development expenses, incurred by the property development and agricultural segments in FY2016. Net cash inflow from investing activities was mainly due to disposal of Group's interests in Onion. As a result of the above, the Group's cash and cash equivalents as at the end of FY2016 was US$18.04 million.

Employees

The number of our full-time employees decreased from 32 as at 31 December 2015 to 15 as at 31 December 2016. They are not covered by any collective bargaining agreements and are not unionized. The Group has not experienced any strikes or work stoppages by our employees and we believe our relationship with our employees is good.

Debt to Equity Ratio

Subsequent to the disposal of Onion, the Group did not have any interest-bearing loan from external parties as at 31 December 2016.

Risk Management

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

Board of Directors

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

Mr Ong was appointed to our Board on 21 July 2014. Currently he serves as the Executive Chairman and CEO of the Company. Mr Ong is responsible for the overall strategic, management and business development of the Group. Mr Ong is also the Executive Chairman and CEO of TG Corporation Holdings Pte. Ltd. ("TG Group"). He has over 30 years of experience in the real estate development and construction business. In 1987, he established the first of TG Group's subsidiaries, T G 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 wing 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.

Lui Seng Fatt
Lead Independent Director

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

Board of Directors

Dr Toh See Kiat
Independent Director

Dr Toh was appointed to our Board as an Independent Director on 19 August 2014 and also serves as the Chairman of the Remuneration Committee. Dr Toh 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 (1999), the Dubai Port Authority (2000), the Abu Dhabi Department of Economic Planning (2006) and the Abu Dhabi Information and Systems Centre (2010). Dr Toh was a Member of Parliament and also serves as Chairman of Aljunied Town Council. He was also President of the Consumers Association of Singapore and is 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.

Hor Siew Fu
Independent Director

Mr Hor was appointed to our Board as an Independent Director on 30 June 2016. He also serves as the Chairman of the Audit Committee. He has more than 40 years of experience in in the fields of finance, administration and general management in public-listed companies, multi-national corporations, and government-linked companies, small and medium sized corporations as well as in the public sector. He last held the appointment of CFO for Albedo Limited. Mr Hor is involved in volunteer services, including holding committee roles in the Singapore Corporation of Rehabilitative Enterprises (a statutory board under the Ministry of Home Affairs) and various programmes initiated by the Ministry of Social & Family Development. He is also active in professional organisations, serving in different capacities. Mr Hor graduated from the then University of Singapore with a Bachelor of Accountancy degree and the 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. At present, he has retired from full-time employment and helps out small businesses.

Key Executives

Ong Kai Hian
Executive Director, Edition Development Pte. Ltd.

Mr Ong Kai Hian was appointed as Executive Director of Edition Development Pte. Ltd., one of the principal subsidiaries of the Group in the property development segment, on 7 August 2014. He is responsible for overseeing the operations and business development of the property development segment. Mr Ong is an architect by training and was previously appointed as architectural designer in an award winning architectural firm in London. In Singapore, he last held the position of project architect with a local property developer. Mr Ong holds a RIBA (Part II) from the Architecture Association in London.

Chin Chen Siong
Financial Controller

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

Ong Kai Hoe
Executive Director, Edition Development Pte. Ltd.

Mr Ong Kai Hoe was appointed as Executive Director of Edition Development Pte. Ltd., one of the principal subsidiaries of the Group in the property development segment, on 7 August 2014. He is responsible for overseeing the operations and business development of the property development segment. Mr Ong has more than 7 years of experience in property project management and project marketing through his former appointment with a local property developer. Mr Ong holds a Diploma in Business Information Technology from Singapore Polytechnic.

Corporate Information

BOARD OF DIRECTORS:
Ong Boon Chuan
(Executive Chairman and Chief Executive Officer)

Lui Seng Fatt
(Lead Independent Director)

Dr Toh See Kiat
(Independent Director)

Hor Siew Fu
(Independent Director)

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
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
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,
#21-02 AIA Tower
Singapore 048542

Corporate Governance

Edition Ltd. (the "Company" and together with its subsidiary corporations, the "Group") are committed to achieving high standards of corporate governance and transparency practices. The Company believes that good corporate governance is 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 interest of its Shareholders through sound corporate policies, business practices and internal controls.

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

The Directors and Management strongly support the principles and guidelines as set out in the Code. Where there are specific deviations from the Code, the Board of Directors (the "Board") considers the alternative corporate governance practices adopted by the Company are sufficient to meet the underlying objective of the Code.

Principle 1: The Board's Conduct of Affairs

1.1 The Company is headed by its Board comprising professionals from various disciplines and entrusted with the responsibility for the overall management of the Group. The Board establishes corporate strategies of the Group, sets direction and goals for the executive team, monitors and reviews the financial performance of the Company, oversees internal controls and sets the Company's values and standards.

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 Committees' meetings held during the financial year ended 31 December 2016 are set out under page 11. The Board had also on various occasions used written resolutions by circulation to sanction certain decisions.

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

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

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 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; and

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

Corporate Governance

1.2 All Directors recognise that they have to discharge their duties and responsibilities in the best interests of and benefit to the Company. Directors and Chief Executive Officer 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.

1.3 Certain functions have been delegated by the Board to its designated Board Committees including the Audit Committee, Nominating Committee and Remuneration Committee, 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.

1.4 The Board conducts regular scheduled meetings on a half-yearly basis. Ad-hoc meetings will be convened when circumstances require. The attendance of the Directors at the Board and Board Committee meetings held during the financial year ended 31 December 2016 is set out as follows:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meeting(s)							
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ong Boon Chuan	2	2	NA	NA	NA	NA	NA	NA
Lui Seng Fatt	2	2	2	2	1	1	1	1
Dr. Toh See Kiat	2	2	2	2	1	1	1	1
Hor Siew Fu [1]	2	1	2	1	1	NA	1	NA
Lim Yit Keong [2]	2	1	2	1	1	1	1	1
Lee Jei Hoon [3]	2	2	NA	NA	NA	NA	NA	NA

Notes:

1. Mr Hor Siew Fu was appointed as Independent Director of the Company on 30 June 2016.
2. Mr Lim Yit Keong resigned as Independent Director of the Company on 30 June 2016.
3. Mr Lee Jei Hoon resigned as Executive Director of the Company on 10 October 2016.

1.5 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 strategy;

e. Convening of shareholders' meetings; and

f. Authorisation of major transactions.

Corporate Governance

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

1.6 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. If they have no prior experience as directors of a listed company, they will be provided with training in relevant areas as well as their duties and obligation as directors.

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. Directors are also informed of regulatory changes initiated by or affecting the Company. The Directors will, from time to time, attend seminars and briefing sessions to enable them to keep pace with the regulatory changes, where changes to regulations and accounting standards have a material bearing on the Company. Such training included attendance by some directors for courses organised by Singapore Institute of Directors ("SID"), briefing and update provided by Company Secretary and other professionals in relation to changes of law, regulations and financial reporting standards.

During the year, some of the Directors have attended the following training programmes organised by SID:

a. Launch of the Board Risk Committee Guide & ASEAN Corporate Governance Scorecard;

b. Singapore Corporate Governance and Directorship Seminar "Being an Effective Director"; and

c. Singapore Governance and Transparency Forum.

Mr Hor, being the newly appointed Director during the year, also attended "Listed Company Director Essentials: Understanding the Regulatory Environment in Singapore – What Every Director Ought to Know", organised by SID.

In addition, 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; and

b. Updates on the Financial Reporting Surveillance Programme.

Our external auditors update the Audit Committee and the Board on new or revised financial reporting standards annually.

Corporate Governance

Principle 2: Board Composition and Guidance

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

Ong Boon Chuan (Executive Chairman and Chief Executive Officer)
Lui Seng Fatt (Lead Independent Director)
Toh See Kiat (Independent Director)
Hor Siew Fu (Independent Director)

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

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

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

2.4 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.

2.5 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.

2.6 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	2	50%
Legal	1	25%
Business management and relevant industry knowledge or experience	2	50%

Corporate Governance

The Board members provide a range of core competencies in accounting, finance, legal, business management experience and expertise and industry knowledge. The profile of each of the Directors is set out in the "Board of Directors" section of the Annual Report for FY2016. Accordingly, the current Board comprises persons who as a group have core competencies necessary to lead and manage the Company effectively.

2.7 The Independent Directors would 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.

2.8 The Independent Directors would help to review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. To this end and where appropriate, they are encouraged to arrange for meetings without the Management being present, on a regular basis and at times deemed necessary.

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

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

d. Ensuring effective communication with Shareholders;

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

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

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

3.3 Mr Lui Seng Fatt has been appointed as the Lead Independent Director of the Company on 30 June 2016 and he is available to Shareholders should they have concerns which cannot be resolved through the normal channels of the Executive Chairman or Financial Controller or for which such contact is inappropriate and acts as a counter-balance in the decision making process. Where warranted, the Lead Independent Director will meet the Independent Directors of the Company without the presence of Management and the other executive directors to review any matters that must be raised privately. Any feedback will be given to the Executive Chairman after such meetings.

Corporate Governance

His other specific roles as Lead Independent Director are to:

a. Lead the Independent Directors to provide non-executive perspectives in circumstance where it would be inappropriate for the Executive Chairman to serve in such capacity and to contribute a balance viewpoint to the Board; and

b. Advise the Executive Chairman as to the quality, quantity and timeliness of the information provided and/or submitted by Management that is necessary or appropriate for the Independent Directors to effectively and efficiently perform their duties.

3.4 Where necessary, the Independent Directors shall meet without presence of the other directors and the Lead Independent Director shall provide feedback to the Chairman after such meetings.

Principle 4: Board Membership

Board Membership and Board Performance

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

The Nominating Committee comprises:

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

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

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

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

b. 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;

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

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

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

4.3 The Nominating Committee's assessment of the independence of a director is guided by the Code and takes into account factors such as relationship with the Company, its related corporations, its 10% shareholder or its officers and whether these relationships interfere with his business judgements.

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

Corporate Governance

The Nominating Committee resolved that each director of the Company shall have appointments in no more than five other listed companies and principal commitments. Every year, the Nominating Committee 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 Nominating Committee 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 Nominating Committee's recommendation to seek approval from Shareholders at the forthcoming AGM to re-elect Mr Ong Boon Chuan and Mr Hor Siew Fu, who will be retiring according to Articles 91 and 97 of the Constitution of the Company respectively. In reviewing the re-nomination of the Board members who are due for re-election as a director of the Company, no member of the Board shall vote in respect of his own re-nomination.

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

4.5 The process for the shortlisting, selection and appointment of all new directors is spearheaded by the Nominating Committee. In the selection and nomination of new director, the Nominating Committee taps on the resources of the Directors' personal contacts for recommendation of potential candidates. External help (for example executive recruitment agencies) would be used to source for potential candidates, if need be. Interviews are set up with potential candidates so that the Nominating Committee is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval. There was new Director appointed during the year. Currently, no alternate director has been appointed in respect of any of the Directors.

Corporate Governance

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

Name of Directors	Date of initial appointment as Director/ Date of last re-election as Director	Present directorship in other listed companies / other principal commitments	Past directorship in other listed companies / other principal commitments in the preceding three (3) years
Ong Boon Chuan (Executive Chairman and Chief Executive Officer)	21 July 2014 / 27 April 2015	Principal commitments: B&L Group Pte Ltd (Director) TG Corporate Holdings Pte. Ltd. and its subsidiary corporations (Director)	–
Lui Seng Fatt (Lead Independent Director)	21 July 2014 / 26 April 2016	Principal commitments: Strategic Capital Global Pty. Ltd. (Director)	Directorship in listed companies: Ying Li International Real Estate Limited (Co-Lead Independent Director)
Dr. Toh See Kiat (Independent Director)	19 August 2014 / 27 April 2015	Principal commitments: Goodwins Law Corporation (Chairman and Director) The Pwee Foundation Ltd (Secretary) CommerceNet Singapore Ltd (Director) Mount Carmel BP Church Ltd. (Member)	–
Hor Siew Fu (Independent Director)	30 June 2016 / -	–	–

Principle 5: Board Performance

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

5.2 The Nominating Committee assesses the performance of individual Directors based on their quality of participation at the meetings of the Board and Board committees. The Company Secretary then compiles the Directors' responses to the questionnaires into a summarised report and circulates the same to the Nominating Committee and the Board for discussion.

5.3 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. Following the evaluation, the Board is of the view that the Board and its Board Committees operate effectively.

Corporate Governance

The Chairman of the Nominating Committee uses the results of the performance evaluation and, where appropriate and in consultation with the Nominating Committee, 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.

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.

Principle 6: Access to Information

6.1 The Management provides the Board with project briefs at an early stage to keep the Board abreast of the progress of the projects and potential business developments.

6.2 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.

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

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

6.5 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.

Principle 7: Procedures for Developing Remuneration Policies

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

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

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

Corporate Governance

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

7.4 The Remuneration Committee reviews the Executive Director and key executives' contracts during termination, to ensure that such contracts of services contain fair and reasonable termination clauses.

Principle 8: Level and mix of Remuneration

8.1 In setting remuneration packages, the Remuneration Committee 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 Remuneration Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No Director shall participate in decisions on his own remuneration. The payment of Directors' fees is subject to the approval of Shareholders.

The Executive Director of the Company does not receive any directors' fees but are remunerated as members 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 remuneration of the Independent Directors is in the form of a fixed fee which is fixed after taking into consideration factors such as effort, time spent and responsibilities of the Directors. The Independent Directors' fees are subject to Shareholders' approval at the Annual General Meeting.

8.2 The Company currently does not have an Employee Share Option Scheme in place.

8.3 Remuneration of Independent Directors is set at level commensurate with the level of responsibility and after taking 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 the directors.

8.4 The Company currently does not have any contractual provisions to allow the Company to reclaim incentive from Executive Directors in exceptional cases of wrongdoings.

Principle 9: Disclosure on Remuneration

9.1 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 Chief Executive Officer in nearest thousand.

Corporate Governance

9.2 A breakdown showing the level and mix of each individual Director and Chief Executive Officer's remuneration for the financial year ended 31 December 2016 is set out below:

Directors	Salary	Bonus	Directors' fees	Others	Total Remuneration
S$500,000 to S$750,000					
Mr Ong Boon Chuan[1]	79%	19%	–	2%	100%
Below S$250,000					
Mr Lee Jei Hoon[2]	100%	–	–	–	100%
Mr Lui Seng Fatt	–	–	100%	–	100%
Dr Toh See Kiat	–	–	100%	–	100%
Mr Hor Siew Fu	–	–	100%	–	100%

Notes:

1. Mr Ong Boon Chuan was appointed as Executive Chairman and Chief Executive Officer of the Company on 21 July 2014. Based on his service agreement, Mr Ong is eligible to a fixed bonus and a performance bonus. For performance bonus, if the consolidated profit before income tax of the Group ("PBT") exceeds S$2 million based on the audited financial statements, equivalent to 2% of the first S$1 million of the PBT exceeding S$2 million, S$20,000 plus 3% of the next S$1 million of the PBT, S$50,000 plus 4% of the next S$1 million of the PBT, and S$90,000 plus 5% of the PBT in excess of S$5 million. Based on the audited financial statement for FY2016, no performance bonus would be paid to Mr Ong.
2. Mr Lee Jei Hoon resigned as Executive Director of the Company on 10 October 2016. The actual remuneration paid to Mr Lee in FY2016 amounted to S$45,000.

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 Remuneration Committee and the Remuneration Committee has reviewed and is satisfied that the performance condition of the Directors and key executives were met for the financial year ended 31 December 2016.

9.3 Regarding the Code's recommendation to fully disclose the remuneration of at least the top 5 key executives who are not Directors or Chief Executive Officer, the Company only has 3 key executives during the financial year ended 31 December 2016 and it does not believe it to be in its best interest to disclose the identity and remuneration of its top 3 key executives, as 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, 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 Chief Executive Officer) for FY2016 is set out below:

	Number of Key Executives
Below S$250,000	3

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

Corporate Governance

9.4 The remuneration paid to Mr Ong Kai Hian and Mr Ong Kai Hoe, who are sons of Mr Ong Boon Chuan (Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Company) for the financial year ended 31 December 2016 is in bands of S$50,000 set out below:

Employees	Salary	Bonus	Others	Total Remuneration
S$50,000 to S$100,000				
Mr Ong Kai Hian	80%	6%	14%	100%
Mr Ong Kai Hoe	80%	6%	14%	100%

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

For the financial year ended 31 December 2016, there were no termination, retirement or post-employment benefits granted or may be granted to the Directors, the Chief Executive Officer and key executives other than the standard contractual notice period termination payment in lieu of service, and the benefits for the Chief Executive Officer and relevant key executives.

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

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

9.5 The Remuneration Committee does consider granting long term incentive, such as employee share options, at the appropriate time. As at the date of this Report, the Company does not have an employee share options scheme for the financial year in review.

9.6 The Company's compensation framework comprises fixed salary, short term and long term incentives. The Company subscribes to linking the executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees. Profit sharing scheme has been put in place to motivate and reward employees and align their interests to maximise long-term Shareholder value.

Principle 10: Accountability

10.1 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.

10.2 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 yearly 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.

Corporate Governance

10.3 Board papers are given to Board members prior to any Board meeting to facilitate effective discussion and decision making.

Principle 11: Risk Management and Internal Controls

11.1 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 are maintenance of proper accounting records, that financial information are reliable and that assets are safeguarded.

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

11.2 The Board, with the assistance of the Audit Committee and the external auditors, has reviewed the adequacy and effectiveness of the Group's risk management systems and system of internal controls addressing key financial, operational, compliance and information technology risks.

11.3 Based on the reviews conducted, the Board, with the concurrence of the Audit Committee, is of the opinion that the risk management systems and the system of internal controls on the financial, operational, compliance and information technology risks were adequate and effective throughout and as at end of the financial year.

The Board has also received assurance from the Chief Executive Officer and Financial Controller that the financial records as at 31 December 2016 have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Company's operations and finances, as well as the Company's risk management and internal control systems are adequate and effective throughout the financial year.

Principle 12: Audit Committee

12.1 The Audit Committee 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)

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

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

Corporate Governance

12.4 The Audit Committee has written terms of reference. Specifically, the Audit Committee 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 auditor 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 independent auditor;

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

d. To review the cost effectiveness of the independent audit, and where the independent auditor provide 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;

e. 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;

f. 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

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

12.5 The Audit Committee meets the external auditors at least once annually without the presence of the Company's Management. This is to review the co-operation rendered by Management to the external auditors, the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audit, internal controls including internal audit matters 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 Audit Committee takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as Singapore-incorporated subsidiaries of the Company. The Group's significant subsidiaries and associated companies are audited by the same auditing firm for the Company. Accordingly, the Company is in compliance with Rules 712 and 715 of the Catalist Rules.

12.6 The amount of fees paid to the external auditors for audit services for the financial year ended 31 December 2016 is S$65,000.

The Audit Committee also reviews all non-audit services provided by the external auditors to ensure that the provision of these services does not affect the independence of the auditors. For the financial year ended 31 December 2016, Nexia TS Public Accounting Corporation provided tax compliance services to the Company other than the audit services. The non-audit fees paid to Nexis TS Public Accounting Corporation amounted to S$3,000 for the financial year ended 31 December 2016. The Audit Committee is satisfied that provision of such services did not prejudice the independence and objectivity of the external auditors.

Corporate Governance

12.7 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 Audit Committee at horsviii@yahoo.com.sg.

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

There were no complaints received for the financial year ended 31 December 2016.

12.8 The Audit Committee is kept abreast by the Management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

Principle 13: Internal audit

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

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the Audit Committee. Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measure to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee. Having considered the Company's business operations, 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.

Principle 14: Shareholder Rights

14.1 The Company is mindful of its obligation to ensure a timely and adequate disclosure of information on matters of material impact on the Company are made to Shareholders of the Company, in compliance with the requirements set out in the Catalist Rules, with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to Shareholders on a half–yearly basis.

14.2 Shareholders are given the opportunity to participate in and vote at general meetings.

14.3 The Company's Constitution allows a member of the Company who is not a relevant intermediary to appoint not more than two proxies to attend and vote at general meetings. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at general meetings. For the time being, the Board is of the view that two proxies for each non-intermediary member is adequate to enable Shareholders to participate in general meetings of the Company and is not proposing to amend the Constitution to allow votes in absentia. All Shareholders have the opportunity to participate effectively in and vote at general meetings. Separate resolutions on each distinct issue are tabled at general meetings.

The Company may also hold media meetings on significant events.

Corporate Governance

Principle 15: Communication with Shareholders

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

15.2 Shareholders are kept informed of developments and information of the Group through announcements published via SGXNET and the press when necessary as well as in the Annual Report. Other announcements are also made on an ad-hoc basis where applicable. A copy of the Annual Report and notice of the AGM are sent to all Shareholders of the Company within the mandatory prescribed period.

Principle 16: Conduct of Shareholder Meetings

16.1 At general meetings, Shareholders of the Company are given the opportunity to air their views and ask Directors or Management questions regarding the Company.

16.2 “Bundling” of resolutions are kept to a minimum and done only where the resolutions are interdependent as to form one significant proposal and only where there are reasons and material implication involved.

16.3 The Board (including respective Chairman of Committees), Management and external auditors will be present at these meetings to address any questions that Shareholders may have.

16.4 All minutes of general meetings are available to Shareholders upon their request.

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

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

The Company is currently in its growth phase and therefore it is intended that the funds be reserved as general working capital for the Company’s business. Thus, the Company did not declare any dividend for the financial year ended 31 December 2016.

RISK MANAGEMENT

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

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

Corporate Governance

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 Audit Committee.

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

Disclosure according to Rule 907 of the Catalist Rules in respect of interested person transactions for the financial year ended 31 December 2016 is stated in the table below:

Name of interested person	**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 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
	S$'000	**S$'000**
TG Management Pte Ltd, a company owned by associates of Mr Ong Boon Chuan, a director of Edition Ltd. Scope of services: corporate services including bookkeeping, HR and payroll, IT support, use of office space, utilities and other general corporate administrative activities	94	–
Thye Chuan Engineering Construction Co. Pte. Ltd., a company owned by associates of Mr Ong Boon Chuan, a director of Edition Ltd. Scope of services: Supply of labor for construction of greenhouse by MEOD Pte. Ltd.	87	–

As at 31 December 2016, the aggregate value of the transactions entered into with the same interested person amounted to S$181,000 and this is less than 3% of the Group's latest audited net tangible assets.

Corporate Governance

MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiary corporations, involving the interest of any Director, Chief Executive Officer or controlling shareholder subsisting at the end of the financial year ended 31 December 2016 or if not then subsisting, entered into since the previous financial year.

NON-SPONSOR FEES

No fee relating to non-sponsor services was paid to the Company's Sponsor, SAC Capital Private Limited, for the financial year ended 31 December 2016.

UTILISATION OF PROCEEDS

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

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

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

Placement

Description	Amount allocated (S$ million)	Amount Utilised as at 31 December 2016 (S$ million)	Balance (S$ million)
Exploration of the property development business	5.4	(2.7)	2.7
General working capital*	0.6	(0.6)	–
Total	**6.0**	**(3.3)**	**2.7**

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

Rights Issue

Description	Amount allocated (S$ million)	Amount Utilised as at 31 December 2016 (S$ million)	Balance (S$ million)
Exploration of the property development business	12.1	–	12.1
General corporate activities	5.0	(2.9)	2.1
General working capital*	4.0	(1.6)	2.4
Total	**21.1**	**(4.5)**	**16.6**

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

Corporate Governance

The Company has utilised S$2.9 million for the construction and development of the greenhouse in Kranji for the agricultural segment as at 31 December 2016. The construction is expected to be fully completed by April 2017.

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Group focuses on enhancing a healthy and safe work environment as well as promoting sustainablity in our workplace. To ensure a healthy and safe work environment for our employees, weekly training programmes in relation to essential and critical workplace safety are conducted to equip employees with knowledge in workplace safety. For FY2016, the Group did not record any work injury, occupational illness or absenteeism as a result of workplace injury.

The Group is also committed to adopting a number of green initiatives and green policies to reduce waste, energy and water consumption within the Group. Specifically, through the subsidiary corporation, MEOD, which focuses on growing technologies and techniques suited for tropical and sub-tropical climates, the Group has embarked on implementating the green initiatives. With the innovation in farming technology, more crops can be grown with lesser inputs, such as land, labour, utility and fertilizers. This offers respite to business owners as the costs of conventional farming is increasing substantially over the years. While the production rate is estimated to be approximately 3 times higher than conventional farming, however, inputs of the planting process required are lesser for the new farming technology as compared to conventional farming. As water continues to become an increasingly scarce resource, the new farming technology alleviates the stress faced by farm operators in terms of erractic weather patterns and the costs of water and fertiliser. Environmentally wise, the control of fertilizer used also reduces effluent run-off, thereby protecting nearby fields and rivers from salt and fertilizer build up.

Financial Contents

Directors' Statement

For the Financial Year Ended 31 December 2016

The directors present their statement to the members together with the audited financial statements of Edition Ltd. and its subsidiary corporations (the "Group") for the financial year ended 31 December 2016 and the balance sheet of Edition Ltd. (the "Company") as at 31 December 2016.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 40 to 106 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 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

Directors

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

Mr Ong Boon Chuan
Mr Lui Seng Fatt
Dr Toh See Kiat
Mr Hor Siew Fu (appointed on 30 June 2016)

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" in this statement.

Directors' interests in shares or debentures

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

	Holdings registered in name of director		**Holdings in which director is deemed to have an interest**	
	At 31.12.2016	**At 1.1.2016**	**At 31.12.2016**	**At 1.1.2016**
Edition Ltd. The Company (No. of ordinary shares)				
Ong Boon Chuan	**–**	–	**2,129,966,000**	2,129,966,000
B&L Group Pte. Ltd. Immediate and ultimate holding corporation (No. of ordinary shares)				
Ong Boon Chuan	**70**	70	**100**	100

Directors' Statement

For the Financial Year Ended 31 December 2016

(b) According to the register of directors' shareholdings, certain director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Edition Placement Share Option as set out below and under "Share options" on page 31 of this Statement.

	No. of unissued ordinary shares under option	
	At 31.12.2016	At 1.1.2016
2014 Adjustment Call Options		
Ong Boon Chuan	**325,701,415**	325,701,415

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

(d) The directors' interests in the ordinary shares of the Company as at 21 January 2017 were the same as those as at 31 December 2016.

Share options

2014 Adjustment Call Options

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

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

	No. of unissued ordinary shares of the Company under Option			
	Options granted during the financial year	Aggregate options granted since commencement to 31.12.2016	Aggregate options exercised since commencement to 31.12.2016	Aggregate options outstanding as at 31.12.2016
Name of director				
Ong Boon Chuan	–	325,701,415	–	325,701,415

Directors' Statement

For the Financial Year Ended 31 December 2016

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

	No. of unissued ordinary shares as at 31.12.2016			Exercise price	Exercise period
	Balance as at 1.1.2016	Options lapsed	Balance as at 31.12.2016		
2014 Adjustment Call Option Shares	350,755,370	25,053,955	325,701,415	S$0.01796	21.02.2015 - 20.02.2018

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 and Lead Independent Director)
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 cost effectiveness of the independent audit, and where the independent auditor provide 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 Singapore Exchange Securities Trading Limited ("SGX-ST");

- 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.

Directors' Statement

For the Financial Year Ended 31 December 2016

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.

Independent auditor

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

On behalf of the directors

Ong Boon Chuan
Director

Hor Siew Fu
Director

30 March 2017

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 2016, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 106.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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

Key audit matter	How our audit addressed the matter
Estimation of net realisable value for land development rights As at 31 December 2016, the Group has land development rights amounting to USD 643,000, which represented 29% and 3% of the total non-current assets and net assets of the Group. Land development rights are stated at the lower of cost and net realisable value. The Group engaged an independent professional valuer, Nasir, Sabaruddin & Associates Sdn Bhd, to assess the net realisable value of land development rights. We focused on this area because the determination of the net realisable value 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 third party valuers. We also read the terms of engagement of the valuers 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 methodologies used with those applied by other valuers for similar assets and compared the valuers' underlying assumptions used. We are satisfied with the competency, capability and objectivity of the external valuers. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies adopted by the valuers were found to be appropriate and comparable to the methods used for similar assets. The key assumptions used in the valuations were found to be balanced, and where available, consistent with current market data.

Independent Auditor's Report

Key audit matter	How our audit addressed the matter
Disposal of subsidiary corporations On 10 October 2016, the Company completed the disposal of its entire equity interest in Onion Holdings Co., Ltd. ("Onion"), which was the main operating subsidiary corporation and one of the major business line of the Group. This has resulted to after tax loss of USD 1,661,000 which is classified under the discontinued operation in the consolidated statement of comprehensive income. We focused on this event due to the significance, complexity and the judgement required in calculating some of the amounts included in the loss on disposal disclosure requirements in accordance with FRS 105.	The following audit procedures were performed to ascertain the accuracy of the consolidated profit or loss statements and to ascertain that sufficient disclosure has been made in accordance with FRS105: • Reviewed the sales and purchase agreement for the disposal to ascertain the terms of the disposal • Performed cut-off procedures as at date of disposal • Reviewed and recomputed the consolidated journal entries and loss on disposal of a subsidiary corporation • Critically reviewed the financial statements prepared by the management to ensure sufficient disclosure had been made As a result of the procedures performed above, we have not identified any material misstatements in relation to this risk and the disclosures pertaining to the discontinued operations are adequate and appropriate.

Independent Auditor's Report

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 FRSs, 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.

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.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

- 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.

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.

Independent Auditor's Report

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 2017

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2016

	Note	The Group 2016 USD'000	2015 USD'000
Continuing operations			
Revenue	4	**136**	11
Other gains - net	5	**250**	107
Expenses:			
- Employee compensation	6	**(1,161)**	(1,079)
- Changes in inventories		**11**	(17)
- Purchases of inventories		**(136)**	(4)
- Rental expense on operating lease		**(115)**	(35)
- Depreciation, amortisation and impairment charges		**(27)**	(17)
- Professional fees		**(243)**	(374)
- Other expenses		**(213)**	(136)
Total expenses		**(1,884)**	(1,662)
Loss before income tax		**(1,498)**	(1,544)
Income tax expense	8	**(8)**	(50)
Loss from continuing operations		**(1,506)**	(1,594)
Discontinued operations			
Loss/(profit) from discontinued operations	9	**(1,818)**	509
Net loss for the financial year		**(3,324)**	(1,085)
Net (loss)/profit attributable to:			
Equity holders of the Company		**(2,986)**	(1,191)
Non-controlling interests		**(338)**	106
		(3,324)	(1,085)
Loss/(profit) attributable to equity holders of the Company relates to:			
Loss from continuing operations		**(1,194)**	(1,494)
(Loss)/profit from discontinued operations		**(1,792)**	303
		(2,986)	(1,191)
(Loss)/earning per share from continuing and discontinued operations attributable to equity holders of the Company (USD cents per share)			
Basic and diluted (loss)/earning per share			
- From continuing operations	10	**(0.05)**	**(0.11)**
- From discontinued operations	10	**(0.07)**	**0.02**

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2016

	Note	The Group 2016 USD'000	2015 USD'000
Net loss for the financial year		**(3,324)**	(1,085)
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains		**–**	340
Share of other comprehensive losses of associated company		**–**	(60)
Currency translation gains/(losses) arising from consolidation		**15**	(1,934)
		15	(1,654)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans		**–**	(117)
Other comprehensive income/(losses), net of tax		**15**	(1,771)
Total comprehensive losses for the financial year		**(3,309)**	(2,856)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(2,985)**	(3,049)
Non-controlling interests		**(324)**	193
		(3,309)	(2,856)

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

Balance Sheets

As at 31 December 2016

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**USD'000**	USD'000	**USD'000**	USD'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**18,043**	19,874	**17,609**	18,963
Trade and other receivables	12	**257**	597	**4,368**	2,322
Inventories	13	**6**	17	**–**	–
		18,306	20,488	**21,977**	21,285
Non-current assets					
Investment properties	14	**–**	3,774	**–**	–
Property, plant and equipment	15	**1,420**	1,749	**4**	7
Intangible assets	16	**82**	86	**3**	5
Investments in subsidiary corporations	17	**–**	–	**726**	2,501
Available-for-sale financial assets	18	**–**	3,749	**–**	–
Transferable club memberships	19	**–**	62	**–**	–
Other receivables	20	**–**	72	**–**	–
Land development rights	21	**643**	656	**–**	–
		2,145	10,148	**733**	2,513
Total assets		**20,451**	30,636	**22,710**	23,798
LIABILITIES					
Current liabilities					
Trade and other payables	23	**460**	391	**222**	233
		460	391	**222**	233
Non-current liabilities					
Borrowings	24	**–**	4,690	**–**	–
Retirement benefits	25	**–**	168	**–**	–
Rental deposit		**–**	174	**–**	–
		–	5,032	**–**	–
Total liabilities		**460**	5,423	**222**	233
NET ASSETS		**19,991**	25,213	**22,488**	23,565
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**33,034**	33,034	**33,034**	33,034
Treasury shares	26	**(994)**	(994)	**(994)**	(994)
Other reserves	27	**(2,090)**	(1,820)	**(2,221)**	(1,712)
Accumulated losses	28	**(9,591)**	(6,876)	**(7,331)**	(6,763)
		20,359	23,344	**22,488**	23,565
Non-controlling interests		**(368)**	1,869	**–**	–
Total equity		**19,991**	25,213	**22,488**	23,565

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2016

	← Attributable to equity holders of the Company →						
	Share capital	**Treasury shares**	**Fair value reserve**	**Currency translation reserve**	**Accumulated losses**	**Non-controlling interests**	**Total equity**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
The Group							
2016							
Beginning of financial year	33,034	(994)	569	(2,389)	(6,876)	1,869	25,213
Disposal of a subsidiary corporation	–	–	–	–	–	(1,913)	(1,913)
Total comprehensive (loss)/income for the financial year	–	–	(569)	299	(2,715)	(324)	(3,309)
End of financial year	**33,034**	**(994)**	**–**	**(2,090)**	**(9,591)**	**(368)**	**19,991**
2015							
Beginning of financial year	17,553	(994)	432	(458)	(5,994)	–	10,539
Issue of new shares (Note 26)	15,578	–	–	–	–	–	15,578
Share issue expenses (Note 26)	(97)	–	–	–	–	–	(97)
Disposal of interest in a subsidiary corporation without loss of control	–	–	–	–	373	1,816	2,189
Acquisition of a subsidiary corporation	–	–	–	–	–	(140)	(140)
Total comprehensive income/(loss) for the financial year	–	–	137	(1,931)	(1,255)	193	(2,856)
End of financial year	**33,034**	**(994)**	**569**	**(2,389)**	**(6,876)**	**1,869**	**25,213**

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2016

		The Group	
		2016	2015
	Note	**USD'000**	USD'000
Cash flows from operating activities			
Loss from continuing operations		**(1,506)**	(1,594)
(Loss)/profit from discontinued operations	9	**(1,818)**	509
Adjustments for			
- Amortisation, depreciation and impairment		**161**	215
- Currency translation differences		**(184)**	490
- Gain on disposal of property, plant and equipment		**–**	(11)
- Gain on disposal of associated company		**–**	(750)
- Income tax	8	**8**	149
- Interest income		**(238)**	(117)
- Interest expense		**115**	198
- Loss on disposal of subsidiary corporation	11	**1,661**	–
- Net gain on disposal of available-for-sale financial assets		**(1,121)**	(199)
- Provision for retirement benefits		**–**	160
- Reversal of impairment loss on trade receivables		**47**	–
- Share of results of associated companies		**–**	(305)
Operating cash flows before working capital changes		**(2,875)**	(1,255)
Changes in working capital			
- Trade and other receivables		**46**	(272)
- Inventories		**(4)**	(17)
- Trade and other payables		**263**	(863)
Cash used in operations		**(2,570)**	(2,407)
Interest received		**238**	117
Income tax paid		**(8)**	(50)
Net cash used in operating activities		**(2,340)**	(2,340)
Cash flows from investing activities			
Additions of intangible assets		**–**	(6)
Additions to property, plant and equipment		**(1,454)**	(101)
Acquisition of a subsidiary corporation, net of cash acquired		**–**	(18)
Additions to land development right	21	**(15)**	(57)
Net cash inflows from disposal of subsidiary corporation	11	**393**	–
Purchase of available-for-sale financial assets	18	**(4,230)**	(2,501)
Proceeds from disposal of available-for-sale financial assets		**6,430**	3,091
Proceeds from disposal of property, plant and equipment		**–**	3
Proceeds from disposal of associated company		**–**	2,130
Payments for retirement benefits	25	**(48)**	(119)
Proceeds from disposal of subsidiary corporation without loss of control		**–**	1,547
Repayment of loans by staff and third parties		**–**	87
Net cash provided from investing activities		**1,076**	4,056
Cash flows from financing activities			
Interest paid		**(115)**	(198)
Proceeds from issuance of shares		**–**	15,578
Repayment of borrowings		**(35)**	(291)
Share issuance expenses		**–**	(97)
Net cash (used in)/provided by financing activities		**(150)**	14,992
Net (decrease)/increase in cash and cash equivalents		**(1,414)**	16,708
Cash and cash equivalents			
Cash and cash equivalents at the beginning of financial year		**19,874**	4,541
Effects of currency translation on cash and cash equivalents		**(417)**	(1,375)
End of financial year	11	**18,043**	19,874

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

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

1. General information

Edition Ltd. (the "Company") is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road #02-00 Singapore 068898. The 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 36 to the financial statements.

As set out in Note 9, the Korea Software Solutions segment which was a separate business segment was disposed during the financial year and had been presented separately as discontinued operations in the consolidated statement of comprehensive income.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year.

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.2 Revenue recognition

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

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services - software solutions

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

(b) Sale of goods

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

(c) Royalty income

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

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

(f) Rental income

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

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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

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 over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated 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.

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.4 Group accounting

(a) Subsidiary corporations

(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.

2.5 Property, plant and equipment

(a) Measurement

(i) Land and buildings

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

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

(ii) Other property, plant and equipment

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

(iii) Components of costs

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

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.5 Property, plant and equipment

(b) *Depreciation*

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

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

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

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

2.6 Intangible assets

(a) *Goodwill on acquisitions*

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.6 Intangible assets

(b) Acquired computer software licences

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

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

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

2.7 Borrowing costs

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

2.8 Investment properties

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

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

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

	Useful lives
Building	30 years

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.9 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.

2.10 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 the lower of cost and net realisable value. Cost includes acquisition costs, capitalised borrowing costs and other cost directly attributable to the acquisition. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs necessary to make the sale.

Land development rights are presented as non-current assets except for those to be sold or developed within 12 months after the balance sheet date which are presented as current assets.

2.11 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.11 Impairment of non-financial assets

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

Intangible assets, property, plant and equipment, land development right 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 CGU to which the asset belongs.

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

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

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

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

2.12 Financial assets

(a) *Classification*

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

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" (Note 12) and "Cash and cash equivalents" (Note 11) on the balance sheet.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.12 Financial assets

(a) Classification

(ii) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

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

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

(e) Impairment

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

(i) Loans and receivables

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.12 Financial assets

(e) Impairment

(i) Loans and receivables

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.12(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

2.13 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.

2.14 Borrowings

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.15 Trade and other payables

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

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

2.16 Fair value estimation of financial assets and liabilities

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

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

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

2.17 Leases

When the Group is the lessee - Operating leases

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

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

When the Group is the lessor - Operating leases

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

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

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

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. The cost of trading goods include all cost of purchases, cost of conversion and other costs incurred in bring 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.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

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

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

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 2016

2. Significant accounting policies

2.20 Provisions

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

2.21 Employee compensation

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

(i) Defined contribution plans

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

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

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

(ii) Retirement benefits

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

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

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

Past service costs are recognised immediately in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.22 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

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.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

(c) Translation of Group entities' financial statements

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

2.23 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.

2.24 Cash and cash equivalents

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

2.25 Club memberships

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

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

2.26 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

2. Significant accounting policies

2.27 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and;

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to disposed of a separate major line of business or geographical area of operations; or

(c) is a subsidiary corporation acquired exclusively with a view to resale.

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical judgements in applying the entity's accounting policies

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 3-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 16.

If the management's estimated discount rate applied to the discounted cash flows for this CGU had been raised by 1%, the value-in-use calculation at 31 December 2016 would have decreased by USD 332,518. The decrease in the value-in-use would have no impact to the carrying amount of goodwill amounting to USD 79,000.

Estimation of net realisable value for land development rights

Land development rights are stated at the lower of cost and net realisable value. Net realisable value of land development rights is assessed by reference to market prices of comparable lands 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 21.

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

4. Revenue

	The Group	
	2016	2015
	USD'000	USD'000
		(restated)
Rental income on operating lease	**8**	–
Sales of goods	**128**	11
	136	11

5. Other gains - net

	The Group	
	2016	2015
	USD'000	USD'000
		(restated)
Interest income on bank deposits	**233**	104
Others	**17**	3
	250	107

6. Employee compensation

	The Group	
	2016	2015
	USD'000	USD'000
Salaries, wages and bonuses	**1,812**	2,075
Employer's contribution to defined contribution plans	**170**	192
Retirement benefit costs on defined benefit plans (Note 25)	**64**	160
Other short-term benefits	**–**	1
	2,046	2,428
Less: Amounts attributable to discontinued operations	**(885)**	(1,349)
Amount attributable to continuing operations	**1,161**	1,079

Key management remuneration is disclosed in Note 30.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

7. Profit before tax

	The Group	
	2016	2015
	USD'000	USD'000
		(restated)
The following items have been included in arriving at loss before tax:		
Fees on audit services paid/payable to		
- Auditor of the Company	**59**	47
- Other auditor	**6**	1
Amortisation of intangible assets	**2**	1
Depreciation of property, plant and equipment	**25**	15
Directors' fee	**83**	79
Management fee	**68**	69
Rental expenses – operating leases	**115**	35

8. Income taxes

(a) Income tax expense

	The Group	
	2016	2015
	USD'000	USD'000
Tax expense attributable to results is made up of:		
- Profit for the financial year		
Continuing operations		
- Current income tax expense - Foreign	**8**	50
Discontinued operations		
- Deferred income tax expense (Note 22)	**–**	99
Tax expenses is attributable to:		
- Continuing operations	**8**	50
- Discontinued operations	**–**	99
	8	149

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

8. Income taxes

(a) Income tax expense

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	
	2016	2015
	USD'000	USD'000
Loss before income tax from:		
- continuing operations	**(1,498)**	(1,544)
- discontinued operations (Note 9(a))	**564**	608
	(934)	(936)
Tax calculated at tax rate of 17% (2015: 17%)	**(159)**	(159)
Effects of:		
- effect of different tax rate in different countries	**(4)**	73
- expenses not deductible for tax purposes	**44**	135
- income not subject to tax	**(188)**	(55)
- deferred tax assets not recognised	**276**	226
- others	**39**	(71)
	8	149

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

	Before tax	**Tax charge**	**After tax**
	USD'000	**USD'000**	**USD'000**
Group			
2016			
Currency translation differences arising from consolidation	**15**	**–**	**15**
Other comprehensive income	**15**	**–**	**15**
2015			
Fair value gains and reclassification adjustments on available-for-sale financial assets	450	(110)	340
Actuarial losses	(117)	–	(117)
Currency translation differences arising from consolidation	(1,934)	–	(1,934)
Share of other comprehensive income/(losses) of associated company	(60)	–	(60)
Other comprehensive losses	(1,661)	(110)	(1,771)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

9. Discontinued operations

On 10 October 2016, the Company disposed its entire interest in Onion Holdings Co., Ltd (comprising the Group's software solution segments). Their results were presented separately under discontinued operations as "(Loss)/profit from discontinued operations" in the Statement of Comprehensive Income.

(a) The results of the discontinued operations and the re-measure of the disposal group are as follows:

	The Group	
	2016	2015
	USD'000	USD'000
Revenue	**1,230**	1,649
Expenses	**(666)**	(835)
Share of loss of associated company*	**–**	(206)
(Loss)/profit before tax from discontinued operations	**564**	608
Income tax expense (Note 8)	**–**	(99)
(Loss)/profit after tax from discontinued operations	**564**	509
Recalssification to profit or loss	**(721)**	–
Loss recognised on the re-measurement of disposal group to fair value less cost to sell	**(1,661)**	–
(Loss)/profit for the year from discontinued operations	**(1,818)**	509

* The Group's effective shareholding in T.S. Investment Corp ("TSI"), has reduced from 33.09% to 10.03% as at 31 December 2015 subsequent to a series of disposals. Accordingly, the Group does not exercise any significant influence in TSI and reclassified this investment as available-for sale financial asset.

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	The Group	
	2016	2015
	USD'000	USD'000
Operating cash outflows	**(288)**	(1,402)
Investing cash inflows	**2,169**	3,699
Financing cash outflows	**(1,045)**	(3,169)
Total cash inflows/(outflows)	**836**	(872)

(c) Details of the assets and liabilities in the disposal group are disclosed in Note 11.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

10. Loss per share

Basic loss per share

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

	Continuing operations		Discontinued operations		Total	
	2016	2015	**2016**	2015	**2016**	2015
Net (loss)/profit attributable to equity holders of the Company (USD'000)	**(1,194)**	(1,494)	**(1,792)**	303	**(2,986)**	(1,191)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**2,510,924**	1,405,583	**2,510,924**	1,405,583	**2,510,924**	1,405,583
Basic loss per share (USD cents)	**(0.05)**	(0.11)	**(0.07)**	0.02	**(0.12)**	(0.08)

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

11. Cash and cash equivalents

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Cash at bank and on hand	**12,389**	7,080	**11,955**	6,169
Short-term bank deposits	**5,654**	12,794	**5,654**	12,794
	18,043	19,874	**17,609**	18,963

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

11. Cash and cash equivalents

Disposal of subsidiary corporation

On 10 October 2016, the Company completed the disposal of its entire interest in Onion Holdings Co., Ltd for a cash consideration of SGD 2,139,740 (equivalent to USD 1,528,976). The effects of disposal on the cash flows of the Group are as follows:

	The Group 2016 USD'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	1,136
Trade and other receivables	247
Inventories	15
Property, plant and equipment	1,592
Transferable club memberships	61
Available-for-sale financial assets	1,662
Investment in associated companies	23
Long-term loans	55
Guarantee deposits	27
Investment properties	3,596
Total assets	8,414
Trade and other payables	194
Borrowings	4,518
Retirement benefit obligations	283
Other payables	142
Total liabilities	5,137
Net assets derecognised	3,277
Less: Non-controlling interests	(1,913)
Less: Treasury shares	1,249
Net assets disposed of	2,613

The aggregate cash inflows arising from the disposal of Onion Holdings Co., Ltd were:

	The Group 2016 USD'000
Net assets disposed of (as above)	2,613
- Reclassification of other reserves	(228)
- Reclassification of currency translation reserve	805
	3,190
Loss on disposal	(1,661)
Cash proceeds from disposal	1,529
Less: cash and cash equivalents in subsidiary corporation disposed of	(1,136)
Net cash inflow on disposal	393

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

12. Trade and other receivables

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Trade receivables				
- Non-related parties	**37**	387	**–**	–
Less: Allowance for impairment of trade receivables (Note 31 (b)(ii))	**–**	(60)	**–**	–
Trade receivables – net	**37**	327	**–**	–
Other receivables				
- Subsidiary corporation	**–**	–	**4,368**	2,321
- Non-related parties	**22**	3	**–**	–
Prepayments	**–**	3	**–**	–
Deposits	**198**	264		
	257	597	**4,368**	2,322

The amount due from subsidiary corporation is unsecured, bearing interest at a range from 6% to 12% (2015: 6%) per annum and is repayable on demand.

13. Inventories

	The Group	
	2016	2015
	USD'000	USD'000
Trading goods	**6**	17

The cost of inventories recognised as an expense and included in "changes in inventories" and "purchases of inventories" amounted to USD 125,000 (2015: USD 21,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

14. Investment properties

	The Group	
	2016	2015
	USD'000	USD'000
Beginning of financial year	**3,985**	4,269
Currency translation differences	**(107)**	(284)
Disposal of subsidiary corporation	**(3,878)**	–
End of financial year	**–**	3,985
Accumulated depreciation		
Beginning of financial year	**211**	118
Currency translation differences	**(9)**	(12)
Charge for the year	**80**	105
Disposal of subsidiary corporation	**(282)**	–
End of financial year	**–**	211
Net book value		
End of financial year	**–**	3,774

In the previous financial year, investment properties with carrying amount of USD 3,774,000 have been pledged as collateral in relation to long-term borrowings (Note 24).

As at 31 December 2015, the details of the Group's investment properties are as follows:

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

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

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

14. Investment properties

The following amounts are recognised in profit or loss:

	The Group	
	2016	2015
	USD'000	USD'000
Rental income	**189**	255
Direct operating expense	**–**	–

Fair value hierarchy

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

Valuation techniques used to derive Level 2 fair values

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

Valuation processes of the Group

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

15. Property, plant and equipment

	Freehold land USD'000	Building USD'000	Vehicles USD'000	Office equipment, furniture and fixtures USD'000	Assets under construction USD'000	Total USD'000
The Group						
2016						
Cost						
Beginning of financial year	409	1,368	33	1,277	11	3,098
Currency translation differences	(11)	(38)	(1)	(36)	(64)	(150)
Additions	–	4	–	32	1,418	1,454
Disposal	–	–	–	–	(2)	(2)
Disposal of subsidiary corporation	(398)	(1,284)	(32)	(1,230)	–	(2,944)
End of financial year	–	50	–	43	1,363	1,456
Accumulated depreciation						
Beginning of financial year	–	100	33	1,216	–	1,349
Currency translation differences	–	(4)	(1)	(35)	–	(40)
Depreciation charge	–	47	–	32	–	79
Disposal of subsidiary corporation	–	(122)	(32)	(1,198)	–	(1,352)
End of financial year	–	21	–	15	–	36
Net book value						
End of financial year	**–**	**29**	**–**	**28**	**1,363**	**1,420**

Government grant amortised during the financial year amounting to USD 3,000 (2015: USD 10,000) was offset against depreciation expenses of office equipment, furniture and fixtures.

As at 31 December 2015, land and building with carrying amount of USD 1,637,000 have been pledged as collateral in relation to long-term borrowings.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

15. Property, plant and equipment

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

15. Property, plant and equipment

	2016 USD'000	2015 USD'000
The Company		
Office equipment, furniture and fixtures		
Cost		
Beginning of financial year	9	5
Additions	–	4
End of financial year	9	9
Beginning of financial year	2	–
Depreciation charge	3	2
End of financial year	5	2
Net book value		
End of financial year	**4**	**7**

16. Intangible assets

	Software USD'000	Goodwill USD'000	Patent USD'000	Total USD'000
The Group				
2016				
Cost				
Beginning of financial year	236	604	48	888
Currency translation differences	–	(2)	–	(2)
Disposal of subsidiary corporation	(230)	(523)	(48)	(801)
End of financial year	6	79	–	85
Accumulated amortisation				
Beginning of financial year	231	523	48	802
Amortisation	2	–	–	2
Disposal of subsidiary corporation	(230)	(523)	(48)	(801)
End of financial year	3	–	–	3
Net carrying value				
End of financial year	**3**	**79**	**–**	**82**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

16. Intangible assets

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

	Software USD'000	Total USD'000
The Company		
2016		
Cost		
Beginning and end of financial year	6	6
Accumulated amortisation		
Beginning of financial year	1	1
Amortisation	2	2
End of financial year	3	3
Net book value		
End of financial year	**3**	**3**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

16. Intangible assets

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

Goodwill

	2016 USD'000	2015 USD'000
The Group		
Cost:		
- Goodwill on acquisition of Oniontech Co., Ltd	**–**	523
- Goodwill on acquisition of MEOD Pte. Ltd.	**79**	81
	79	604
Accumulated impairment:		
- Goodwill on acquisition of Oniontech Co., Ltd	**–**	(523)
- Goodwill on acquisition of MEOD Pte. Ltd.	**–**	–
	–	(523)
Carrying value	**79**	81

Goodwill on acquisition of the subsidiary corporation - Oniontech Co., Ltd

The goodwill which relates to Oniontech Co., Ltd.'s mobile gaming business was fully impaired as Oniontech Co., Ltd. has discontinued its gaming business in 2016.

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

The goodwill of USD 79,000 arising from the acquisition is 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 business focuses by the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

16. Intangible assets

Impairment tests for goodwill

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

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

	Agriculture		Total	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Singapore	**79**	81	**79**	81

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

Key assumptions used for value-in-use calculations:

	Agriculture	
	Singapore	
	2016	**2015**
Gross margin	60%	35%
Growth rate	Not applicable*	Not applicable*
Discount rate	15%	10%

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

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

17. Investments in subsidiary corporations

	The Company	
	2016	2015
	USD'000	USD'000
Equity investments at cost		
Beginning of financial year	**2,501**	7,267
Additions	**–**	36
Disposal	**(1,775)**	(4,802)
End of financial year	**726**	2,501

Details of the subsidiary corporations are set out in Note 36.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

17. Investments in subsidiary corporations

Carrying value of non-controlling interests

	2016	2015
	USD'000	USD'000
Onion Holding Co., Ltd	**–**	2,009
MEOD Pte. Ltd.	**(368)**	(140)
	(368)	1,869

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

Summarised balance sheet

	MEOD Pte. Ltd. As at 31 December	
	2016	2015
	USD'000	USD'000
Current		
Assets	**326**	307
Liabilities	**(1,990)**	(602)
Total current net liabilities	**(1,664)**	(295)
Non-current		
Assets	**1,363**	8
Liabilities	**(449)**	–
Total non-current net assets	**914**	8
Net liabilities	**(750)**	(287)

Summarised income statement

	MEOD Pte. Ltd. For the financial year ended 31 December	
	2016	2015
	USD'000	USD'000
Revenue	**136**	29
Loss before income tax	**(494)**	(250)
Income tax expense	**–**	–
Post-tax loss	**(494)**	(250)
Other comprehensive income	**–**	–
Total comprehensive loss	**(494)**	(250)
Total comprehensive income allocated to non-controlling interest	**(242)**	(140)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

17. Investments in subsidiary corporations

Summarised cash flows

	MEOD Pte. Ltd. For the financial year ended 31 December	
	2016	2015
	USD'000	USD'000
Net cash used in operating activities	**(120)**	(617)
Net cash used in investing activities	**(1,354)**	(9)
Net cash generated from financing activities	**1,519**	649
Net increase in cash and cash equivalents	**45**	23
Cash and cash equivalents at beginning of year	**25**	2
Exchange gain on cash and cash equivalents	**(2)**	–
Cash and cash equivalents at end of year	**68**	25

18. Available-for-sale financial assets

	The Group	
	2016	2015
	USD'000	USD'000
Beginning of financial year	**3,749**	2,100
Currency translation differences	**(267)**	(177)
Additions	**4,230**	2,501
Disposals	**(5,309)**	(3,164)
Reclassification from investments in associated companies	**–**	2,149
Fair value (losses)/gains recognised in other comprehensive income	**(741)**	340
Disposal of subsidiary corporation	**(1,662)**	–
End of financial year	**–**	3,749

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

18. Available-for-sale financial assets

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

	The Group	
	2016	2015
	USD'000	USD'000
Listed securities		
- equity securities – Korea	**–**	1,902
Unlisted securities		
- equity securities – Korea	**–**	1,847
Total	**–**	3,749

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

19. Transferable club memberships

	The Group	
	2016	2015
	USD'000	USD'000
Club memberships – at cost	**220**	220
Less: Accumulated impairment loss	**(151)**	(151)
Currency translation differences	**(8)**	(7)
Disposal of subsidiary corporation (Note 11)	**(61)**	–
	–	62

20. Other receivables – non-current

	The Group	
	2016	2015
	USD'000	USD'000
Staff loans	**–**	59
Deposits	**–**	13
	–	72

(a) Staff loans

In the previous financial year, loans are made under an approved staff loan scheme. The staff loans are unsecured, bearing interest at 3% per annum and are repayable between two and five years.

As at 31 December 2015, the fair values of staff loans, denominated in Korean Won are determined using discounted cash flow method. The staff loans are classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is discount rate, which is 2.86%.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

21. Land development rights

	The Group	
	2016	2015
	USD'000	USD'000
Beginning of financial year	**656**	741
Additions	**15**	57
Currency translation differences	**(28)**	(142)
End of financial year	**643**	656

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

Additions in 2015 and 2016 refer to professional fees and submission fees incurred in relation to regulatory compliances for the development.

On 9 January 2017, the Group obtained an approval from local authorities to defer the execution of its land development plans to 18 January 2018.

22. Deferred income taxes

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

Movement in the deferred income tax account is as follows:

	The Group	
	2016	2015
	USD'000	USD'000
Beginning of financial year	**–**	–
Tax (charged)/credited to		
- profit or loss (Note 8)	**–**	(99)
- equity	**–**	99
End of financial year	**–**	–

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

22. Deferred income taxes

The Group

Deferred income tax liabilities

	Severance insurance deposit USD'000	Other USD'000	Total USD'000
2016			
Beginning of financial year	**–**	**11**	**11**
Disposal of subsidiary corporation	**–**	**(11)**	**(11)**
End of financial year	**–**	**–**	**–**
2015			
Beginning of financial year	117	18	135
Currency translation differences	(3)	(1)	(4)
Credited to profit or loss	(114)	(6)	(120)
End of financial year	–	11	11

Deferred income tax assets

	Accrued severance benefits USD'000	Unrealised losses of investments USD'000	Other USD'000	Total USD'000
2016				
Beginning of financial year	**–**	**–**	**11**	**11**
Disposal of subsidiary corporation	**–**	**–**	**(11)**	**(11)**
End of financial year	**–**	**–**	**–**	**–**
2015				
Beginning of financial year	238	(103)	–	135
Currency translation differences	(8)	4	–	(4)
Charged to profit or loss	(230)	–	11	(219)
Credited to equity	–	99	–	99
End of financial year	–	–	11	11

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

22. Deferred income taxes

As at 31 December 2016, certain subsidiary corporations of the Group have potential tax benefits of approximately USD 3,408,000 (2015: USD 1,941,000) arising from unutilised tax losses and other temporary differences, which are available for set-off against future taxable profits. These tax losses have not been recognised due to uncertainty of the sufficiency of future taxable profits to be generated for these subsidiary corporations in the foreseeable future.

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

23. Trade and other payables

	The Group		**The Company**	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Current				
Trade payables to non-related parties	**19**	13	**–**	–
Accrued operating expenses	**249**	364	**222**	233
Other payables:				
- non-related parties	**157**	14	**–**	–
- other related parties	**15**	–	**–**	–
	172	14	**–**	–
Advance from customers	**17**	–	**–**	–
Deposits	**3**	–	**–**	–
	460	391	**222**	233

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

24. Borrowings

	The Group	
	2016	2015
	USD'000	USD'000
Non-current		
Bank borrowings	**–**	4,690
Total borrowings	**–**	4,690

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

24. Borrowings

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

	The Group	
	2016	2015
	USD'000	USD'000
1 - 5 years	**–**	4,690
	–	4,690

(a) Security granted

In the previous financial year, bank borrowings of the Group are secured by land, building and investment property with a carrying amount of USD 5,411,000 (Note 14 and 15) and corporate guarantee from a subsidiary corporation of the Company.

(b) Fair value of non-current borrowings

As at 31 December 2015, the fair values of the Group's borrowings, denominated in Korean Won, approximate their carrying amounts.

The fair values are determined from the cash flow analyses, discounted at market borrowing rate of an equivalent instrument of 3.15% per annum as at 31 December 2015 which the directors expect to be available to the Group.

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

25. Retirement benefits

	The Group	
	2016	2015
	USD'000	USD'000
Balance sheet obligations for:		
Retirement benefits	**–**	168
Profit or loss charged for:		
Retirement benefits (Note 6)	**64**	160

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

	The Group	
	2016	2015
	USD'000	USD'000
Present value of funded obligations	**–**	288
Fair value of plan assets	**–**	(120)
	–	168

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

25. Retirement benefits

The movement in the defined benefit obligation is as follows:

	Present value of obligation USD'000	Fair value of plan assets USD'000	Total USD'000
At 1 January 2016	288	(121)	**167**
Current service cost	62	–	**62**
Interest cost	6	4	**10**
	68	4	**72**
Remeasurements:			
Return on plan assets, excluding amounts included in interest income	–	(4)	**(4)**
Gain from change in financial assumptions	111	–	**111**
	111	(4)	**107**
Exchange differences	(14)	6	**(8)**
Contributions:			
- Employers	–	(48)	**(48)**
Payments from plans:			
- Benefit payments	(7)	–	**(7)**
Disposal of subsidiary corporation	(446)	163	**(283)**
At 31 December 2016	**–**	**–**	**–**
At 1 January 2015	966	(535)	**431**
Current service cost	150	–	**150**
Interest cost	23	13	**36**
	173	13	**186**
Remeasurements:			
Return on plan assets, excluding amounts included in interest income	–	(13)	**(13)**
Gain from change in financial assumptions	105	–	**105**
	105	(13)	**92**
Exchange differences	(43)	23	**(20)**
Contributions:			
- Employers	–	(119)	**(119)**
Payments from plans:			
- Benefit payments	(913)	511	**(402)**
At 31 December 2015	**288**	**(120)**	**168**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

25. Retirement benefits

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

	The Group	
	2016	2015
	USD'000	USD'000
Present value of obligation	**–**	288
Fair value of plan assets	**–**	(120)
	–	168

The Group's retirement benefits were revalued at 10 October 2016 and 31 December 2015 by independent actuarial valuers, Korea Actuary in Industrial Bank of Korea. These level 3 fair values have been derived using discounted cash flow method. There were no changes to the valuation techniques during the financial year.

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

	The Group	
	2016	2015
	%	%
Discount rate	**2.21**	2.86
Expected return on plan assets	**2.21**	2.86
Future salary increases	**7.99**	6.46

The significant unobservable input used is discount rate. The lower the discount rate, the higher the valuation.

26. 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**	**USD'000**	**USD'000**
2016				
Beginning and end of financial year	2,523,298	(12,374)	33,034	(994)
2015				
Beginning of financial year	384,782	(12,374)	17,553	(994)
Shares issued	2,138,516	–	15,578	–
Share issue expenses	–	–	(97)	–
End of financial year	2,523,298	(12,374)	33,034	(994)

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

26. Share capital and treasury shares

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

The Company had, on 8 July 2015, completed a rights issue in which 2,138,515,740 shares have been allotted and issued, for a total consideration of USD 15,578,000 for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Call options

On 21 July 2014, the Company issued 210,000,000 call options to its shareholders for purchase of new ordinary shares of the Company at an exercise price of S$0.03 per share. Each new ordinary share issued and fully paid will rank equally in all respects with the existing issued ordinary shares of the Company. As a results of the allotment and issuance of the Rights Shares in 2015, pursuant to the adjustment of the Separate Placement and Call Option Agreement, the Call Option Shares have been adjusted to 350,755,370 new ordinary shares at an adjusted exercise price of S$0.01796 for each share (the "Adjustment Call Option Shares"). As at 31 December 2016, 25,053,955 Adjustment Call Option Shares have been lapsed.

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.

27. Other reserves

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
(a) Composition:				
Fair value reserve	**–**	569	**–**	–
Currency translation reserve	**(2,090)**	(2,389)	**(2,221)**	(1,712)
	(2,090)	(1,820)	**(2,221)**	(1,712)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

27. Other reserves

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
(b) Movements:				
(i) Fair value reserve				
Beginning of financial year	**569**	432	**–**	–
Financial assets, available-for-sale				
- Fair value losses	**–**	115	**–**	–
- Tax on fair value changes	**–**	57	**–**	–
Share of associated company's fair value gains on available-for-sale financial assets, net of tax	**–**	(35)	**–**	–
- Reclassification to profit or loss	**(569)**		**–**	
End of financial year	**–**	569	**–**	–
(ii) Currency translation reserve				
Beginning of financial year	**(2,389)**	(458)	**(1,712)**	(641)
Net currency translation differences of financial statements of foreign subsidiary corporations and associated companies	**15**	(1,931)	**(509)**	(1,071)
- Reclassification to profit or loss	**284**	–	**–**	–
End of financial year	**(2,090)**	(2,389)	**(2,221)**	(1,712)

Other reserves are non-distributable.

28. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	The Company	
	2016	2015
	USD'000	USD'000
Beginning of financial year	**(6,763)**	(6,179)
Net loss	**(568)**	(584)
End of financial year	**(7,331)**	(6,763)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

29. Commitments

(a) Capital commitments

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

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Property, plant and equipment	**121**	300	**–**	–

(ii) On 17 July 2015, the Group incorporated a subsidiary corporation, Edition (Shanghai) Investment Management Consulting Co., Ltd., in People's Republic of China with registered capital of USD 1,500,000. The principal business of the company was that of crowd funding in the People's Republic of China.

The registered capital is not required to be paid up immediately and is due within 5 years of the company's date of registration. As at 31 December 2016, the Group has not made any cash injection into the subsidiary corporation.

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

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

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

	The Group	
	2016	2015
	USD'000	USD'000
Not later than one year	**–**	10

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

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

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

	The Group	
	2016	2015
	USD'000	USD'000
Not later than one year	**–**	125
Between one and five years	**–**	49
	–	174

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

30. 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	
	2016	2015
	USD'000	USD'000
Provision of services by other related party	**63**	–
Management fees paid to other related party	**68**	69

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

(b) Key management remuneration

	The Group	
	2016	2015
	USD'000	USD'000
Salaries, wages and bonus	**568**	705
Employer's contribution to defined contribution plans	**20**	7
	588	712

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

31. Financial risk management

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

(a) Market risk

(i) Currency risk

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

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Singapore Dollar ("SGD") and Malaysian Ringgit ("MYR"). 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.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

31. Financial risk management

(a) Market risk

(i) Currency risk

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

	USD USD'000	SGD USD'000	MYR USD'000	Total USD'000
<u>At 31 December 2016</u>				
Financial assets				
Cash and cash equivalents	18	17,822	203	18,043
Trade and other receivables	–	50	9	59
	18	17,872	212	18,102
Financial liability				
Trade and other payables	–	(435)	(8)	(443)
	–	(435)	(8)	(443)
Net financial assets	18	17,437	204	17,659
Less: Financial assets denominated in the respective entities' functional currencies	–	(17,437)	(204)	(17,641)
Net currency exposure	18	–	–	18

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(a) Market risk

(i) Currency risk

	USD USD'000	SGD USD'000	KRW USD'000	MYR USD'000	Other USD'000	Total USD'000
At 31 December 2015						
Financial assets						
Cash and cash equivalents	18	19,159	296	359	42	19,874
Available-for-sale financial assets	–	–	3,749	–	–	3,749
Trade and other receivables	–	4	398	–	–	402
	18	19,163	4,443	359	42	24,025
Financial liabilities						
Trade and other payables	–	(259)	(301)	(5)	–	(565)
Borrowings	–	–	(4,690)	–	–	(4,690)
Retirement benefits	–	–	(168)	–	–	(168)
	–	(259)	(5,159)	(5)	–	(5,423)
Net financial assets/ (liabilities)	18	18,904	(716)	354	42	18,602
Less: Financial assets/(liabilities) denominated in the respective entities' functional currencies	–	(18,904)	716	(354)	(42)	(18,584)
Net currency exposure	18	–	–	–	–	18

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(a) Market risk

(i) Currency risk

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

	USD USD'000	SGD USD'000	Total USD'000
At 31 December 2016			
Financial assets			
Cash and cash equivalents	18	17,591	17,609
Trade and other receivables	–	4,368	4,368
	18	21,959	21,977
Financial liability			
Trade and other payables	–	(222)	(222)
	–	(222)	(222)
Net financial assets/(liabilities)	18	21,737	21,755
Less: Financial assets denominated in the functional currency	–	(21,737)	(21,737)
Net currency exposure	18	–	18
At 31 December 2015			
Financial assets			
Cash and cash equivalents	18	18,945	18,963
Trade and other receivables	–	2,322	2,322
	18	21,267	21,285
Financial liability			
Trade and other payables	–	(233)	(233)
	–	(233)	(233)
Net financial assets/(liabilities)	18	21,034	21,052
Less: Financial assets denominated in the functional currency	–	(21,034)	(21,034)
Net currency exposure	18	–	18

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

31. Financial risk management

(a) Market risk

(i) Currency risk

If the MYR and SGD change against the USD by 8% and 2% respectively (2015: 23% and 7%), with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	The Group and The Company	
	2016	**2015**
	USD'000	**USD'000**
MYR against USD		
- Strengthened	–*	–*
- Weakened	–*	–*
SGD against USD		
- Strengthened	–*	(1)
- Weakened	–*	1

*Less than USD 1,000

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risks

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(a) Market risk

(iii) Cash flow and fair value interest rate risks

Subsequent to the disposal of Onion, currently the Group does not have any external borrowing. As a guideline where applicable, the Group's policy is to maintain 80-90% of its borrowings in fixed rate instruments.

The Group's interest rate risk mainly arises from short-term bank deposits and current and non-current borrowings, where applicable. The Group does not use derivative financial instruments to hedge its borrowings. The Group's exposure to interest rate risk is controlled and monitored on a regular basis.

The Group's and the Company's financial assets at variable rates on which effective hedges have not been entered into are denominated mainly in MYR. The possible change in the movement in the MYR interest rate with all other variables held constant assessed by management is 0.05% (2015: 0.05%). Management has assessed the impact to loss after tax as being not material.

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

	Variable rates	**Fixed rates**		
	Less than 6 months USD'000	**Less than 6 months USD'000**	**Non-interest bearings USD'000**	**Total USD'000**
Group				
2016				
Assets				
Cash and cash equivalents	11,875	5,654	514	18,043
Trade and other receivables	–	–	59	59
Non-financial assets	–	–	2,349	2,349
	11,875	5,654	2,922	20,451
Liability				
Trade and other payables	–	–	460	460
	–	–	460	460

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(a) Market risk

(iii) Cash flow and fair value interest rate risks

	Variable rates	Fixed rates			
	Less than 6 months USD'000	Less than 6 months USD'000	1 to 5 years USD'000	Non-interest bearings USD'000	Total USD'000
Group					
2015					
Assets					
Cash and cash equivalents	17,011	–	–	2,863	19,874
Available-for-sale financial assets	–	–	–	3,749	3,749
Trade and other receivables	–	–	–	402	402
Non-financial assets	–	–	–	6,611	6,611
	17,011	–	–	13,625	30,636
Liabilities					
Trade and other payables	–	–	–	565	565
Borrowings	–	–	4,690	–	4,690
Retirement benefits	–	–	–	168	168
	–	–	4,690	733	5,423

(b) Credit risk

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

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

Notes to the Financial Statements
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31. Financial risk management

(b) Credit risk

The trade receivables of the Group comprise one debtors (2015: three debtors) that individually represented 92% of trade receivables. The concentration of credit risk with respect to amounts receivable from customers is limited because the customers making up the debtor balances are reputable in both domestic and international markets.

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

	The Group	
	2016	2015
	USD'000	USD'000
By geographical areas		
Singapore	**35**	5
Malaysia	**2**	–
	37	5
By types of customers		
- Non-related parties	**37**	5

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

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

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

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

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

	The Group	
	2016	2015
	USD'000	USD'000
Past due over 6 months	**4**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(b) Credit risk

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

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

	The Group	
	2016	2015
	USD'000	USD'000
Gross amount	**–**	60
Less: Allowance for impairment	**–**	(60)
	–	–
Beginning of financial year	**60**	51
Currency translation difference	**–**	(10)
Allowance made	**–**	19
Disposal of subsidiary corporation	**(60)**	–
End of financial year (Note 12)	**–**	60

(c) Liquidity risk

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(c) Liquidity risk

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

	Less than 1 year USD'000	Between 1 and 2 years USD'000	Between 2 and 5 years USD'000
Group			
At 31 December 2016			
Trade and other payables	460	–	–
At 31 December 2015			
Trade and other payables	391	–	–
Borrowings	–	4,990	–
Company			
At 31 December 2016			
Trade and other payables	222	–	–
At 31 December 2015			
Trade and other payables	233	–	–

(d) Capital risk

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

31. Financial risk management

(d) Capital risk

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

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Net debt	**(17,583)**	(14,619)	**(17,387)**	(18,730)
Total equity	**20,359**	23,344	**22,488**	23,565
Total capital	**20,359**	23,344	**22,488**	23,565
Gearing ratio	**N.A.**	N.A.	**N.A.**	N.A.

N.A. – Not applicable

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2015.

(e) Fair value measurement

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

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

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

	Level 1	**Level 3**	**Total**
	USD'000	**USD'000**	**USD'000**
Group			
Available-for-sale financial assets			
- 2016	–	–	–
- 2015	1,902	1,847	3,749

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

31. Financial risk management

(e) Fair value measurement

The following table presents the changes in Level 3 instruments:

	The Group	
	2016	2015
	USD'000	USD'000
Available-for-sale financial assets		
Beginning of financial year	**1,847**	180
Impairment	**–**	–
Disposal	**(1,847)**	(493)
Reclassification	**–**	2,149
Currency translation differences	**–**	11
End of financial year	**–**	1,847

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

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

(f) Financial instruments by category

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

	The Group		The Company	
	2016	2015	**2016**	2015
	USD'000	USD'000	**USD'000**	USD'000
Available-for-sale financial assets	**–**	3,749	**–**	–
Loans and receivables	**18,102**	20,276	**21,977**	21,285
Financial liabilities at amortised cost	**443**	5,423	**222**	233

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

32. Segment information

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

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

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

	Korea Software Solutions (Discontinued operations) USD'000	Singapore All other segments (Continuing operations) USD'000	Total USD'000
<u>The Group</u>			
Financial year ended 31 December 2016			
Revenue			
- External parties	1,231	136	1,367
Segment results	(1,818)	(1,506)	(3,324)
Share of results of associated companies			–
Loss before income tax			(3,324)
Net loss include:			
- Depreciation	(134)	(25)	(159)
- Amortisation	–	(2)	(2)
- Interest income	5	233	238
- Interest expense	(115)	–	(115)
- Income tax	–	(8)	(8)
Segment assets	–	20,451	20,451
Segment assets include:			
Additions to:			
- Property, plant and equipment	–	1,454	1,454
- Land development right		15	15
Segment liabilities	–	460	460

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

32. Segment information

	Korea Software Solutions (Discontinued operations) USD'000	Singapore All other segments (Continuing operations) USD'000	Total USD'000
<u>The Group</u>			
Financial year ended 31 December 2015			
Revenue			
- External parties	1,649	11	1,660
Segment results	573	(1,963)	(1,390)
Share of results of associated companies			305
Loss before income tax			(1,085)
Net loss include:			
- Depreciation	(179)	(15)	(194)
- Amortisation	–	(1)	(1)
- Interest income	14	103	117
- Interest expense	(198)	–	(198)
- Income tax	(100)	(49)	(149)
Segment assets	10,431	20,205	30,636
Segment assets include:			
Additions to:			
- Property, plant and equipment	4	94	98
- Land development right	–	57	–
Segment liabilities	5,155	268	5,423

(a) Revenue from major services

Revenue from external customers are derived from mainly sale of goods amounting to USD 128,000, provision of service amounting to USD 1,042,000 and rental income amounting to USD 197,000.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

32. Segment information

(b) Geographical information

	Revenue	
	2016	2015
	USD'000	USD'000
Continuing operations		
Singapore	**128**	11
Outside Singapore	**8**	–
	136	11
Discontinued operations		
Republic of Korea	**1,231**	1,649
Total	**1,367**	1,660

	Non-current assets	
Singapore	**1,449**	20
Outside Singapore	**696**	10,128
	2,145	10,148

Revenue of approximately USD 93,000 (2015: USD 6,000) are derived from a single external customer from the agricultural segment.

33. Immediate and ultimate holding corporation

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

34. New or revised accounting standards and interpretations

Below are the mandatory accounting standards and amendments to existing accounting standards that have been published and relevant for the Group's accounting periods beginning on or after 1 January 2017 which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 7 *Disclosure Initiative*
- Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*
- Improvements to FRS (December 2016)
  - Amendments to FRS 112 *Disclosure of Interests In Other Entities*

Effective for annual periods beginning on or after 1 January 2018

- FRS 115 *Revenue from Contracts with Customers*

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2016

34. New or revised accounting standards and interpretations

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the key issues for the Group including identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make a more detailed assessment of the impact over the next twelve months.

- FRS 109 *Financial Instruments*
- Amendments to FRS 40 *Transfers of Investment Property*
- Amendments to FRS 102 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to FRS 115 *Clarifications to FRS 115 Revenue from Contracts with Customers*
- INT FRS 122 *Foreign Currency Transactions and Advance Consideration*
- Improvements to FRSs (December 2016)
  - Amendments to FRS 28 *Investments in Associates and Joint Ventures*
  - Amendments to FRS 101 *First-Time Adoption of Financial Reporting Standards*

<u>Effective for annual periods beginning on or after 1 January 2019</u>

- FRS 116 *Leases*

<u>Effective date: to be determined</u>

- Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

35. 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 2017.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

36. Significant subsidiary corporations in the Group

Name	Country of incorporation/ Place of business	Principal activities	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
			2016 %	2015 %	**2016 %**	2015 %	**2016 %**	2015 %
Held by the Company								
Onion Holdings Co., Ltd[(1)]	Republic of Korea	Mobile telecommunication	**–**	57.5	**–**	57.5	**–**	42.5
Edition Development Pte. Ltd.[(2)]	Singapore	Investment holding and project management	**100**	100	**100**	100	**–**	–
MEOD Pte. Ltd. [(2)]	Singapore	Agricultural and related product	**51**	51	**51**	51	**49**	49
Held by subsidiary corporations								
Oniontech Co., Ltd[(1)]	Republic of Korea	Mobile game development	**–**	–	**–**	57.5	**–**	42.5
Guangzhou Oniontech Information Technology Limited[(4)]	The People's Republic of China	Ring back tone and mobile game development	**–**	–	**–**	57.5	**–**	42.5
Guangzhou Ebrain Information Technology Co. Ltd.[(4)]	The People's Republic of China	Dormant	**–**	–	**–**	21.33	**–**	–
Edition Land Pte. Ltd. [(2)]	Singapore	Property development	**–**	–	**100**	100	**–**	–
Edition Global Pte. Ltd.[(2)]	Singapore	Investment holding	**–**	–	**100**	100	**–**	–
Edition MY Sdn. Bhd. [(3),(5)]	Malaysia	Investment holding and project management	**–**	–	**100**	100	**–**	–
Edition (Shanghai) Investment Management Consulting Co., Ltd. [(4)]	The People's Republic of China	Dormant	**–**	–	**100**	100	**–**	–
Edition Cemerlang Sdn. Bhd.[(3),(5)]	Malaysia	Property development	**–**	–	**100**	100	**–**	–
Edition Tunjong Sdn. Bhd.[(3),(5)]	Malaysia	Property development	**–**	–	**100**	100	**–**	–

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2016

36. Significant subsidiary corporations in the Group

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

Statistics of Shareholdings

As at 15 March 2017

Distribution of Shareholders by Size of Shareholdings as at 15 March 2017

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

Size of Shareholdings			No. of Shareholders	%	No. of Shares	%
1	-	99	3	0.62	44	0.00
100	-	1,000	61	12.68	24,400	0.00
1,001	-	10,000	81	16.84	443,430	0.02
10,001	-	1,000,000	303	63.00	59,847,518	2.38
1,000,001		and above	33	6.86	2,450,608,298	97.60
		Total	**481**	**100.00**	**2,510,923,690**	**100.00**

* Shareholdings exclusive of 12,374,000 treasury shares.

Substantial Shareholders as at 15 March 2017

	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	325,394,000(2)	12.96	1,815,720,000(3)	72.29
Ong Boon Chuan	–	–	2,140,666,000(4)	85.25

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

(2) Mdm Kok Lee Kuen acquired 10,700,000 ordinary shares of the Company on 13 March 2017.

(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, Cap. 50.

(4) 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 15 March 2017

Twenty Largest Shareholders as at 15 March 2017

	Shareholder's Name	No. of Shares	%
1	B&L GROUP PTE LTD	1,815,272,000	72.29
2	KOK LEE KUEN#	314,694,000	12.53
3	CITIBANK NOMINEES SINGAPORE PTE LTD	69,846,000	2.78
4	MAYBANK KIM ENG SECURITIES PTE LTD*	56,574,050	2.25
5	KHOO AI WAH	49,000,000	1.95
6	LAU SING @ LIEW SING HUN OR LAU SEA HUAN @ LAU KOK HAN	20,000,000	0.80
7	PHILLIP SECURITIES PTE LTD	19,660,850	0.78
8	O,W&W INVESTMENTS II LIMITED	13,636,350	0.54
9	LEE SUI HEE	13,168,700	0.52
10	MORGAN STANLEY ASIA (S) SECURITIES PTE LTD	10,000,000	0.40
11	LUO FENG	9,589,500	0.38
12	OCBC SECURITIES PRIVATE LTD	7,761,048	0.31
13	KOK YIN LEONG	6,373,200	0.25
14	LAU SING @ LIEW SING HUN	6,009,000	0.24
15	WON DAE RO	5,000,000	0.20
16	TEO EE SENG	4,100,000	0.16
17	TAN WEIREN VINCENT (CHEN WEIREN VINCENT)	3,500,000	0.14
18	ANG BOO HOCK STEPHEN	3,000,000	0.12
19	OCBC NOMINEES SINGAPORE PTE LTD	2,546,000	0.10
20	TAN CHEE WAN	2,500,000	0.10
	Total *	**2,432,230,698**	**96.84**

\# Based on the announcement dated 14 March 2017, Mdm Kok Lee Kuen has on 13 March 2017 acquired 10,700,000 ordinary shares of the Company. For the total no. of Shares held by Mdm Kok Lee Kuen as at 15 March 2017, please refer to the list of substantial shareholders on page 107.

* 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 15 March 2017, approximately 14.75% of the Company's issued ordinary shares excluding treasury shares was held by the public and therefore, the Company is in compliance with Rule 723 of the Rules of Catalist of Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Edition Ltd. (the "Company") will be held at 78 Gilstead Road, Singapore 309116 on Tuesday, 25 April 2017 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2016 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$114,000 for the financial year ending 31 December 2017, to be paid semi-annually in arrears (2016: S$114,000) **(Resolution 2)**

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

4. To re-elect Mr Hor Siew Fu, a Director retiring pursuant to Article 97 of the Company's Constitution and who, being eligible, offers himself for re-election.

   Mr Hor Siew Fu, who is an Independent Director, if re-elected as Director of the Company, will remain as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees and will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST Catalist Rules**"). **(Resolution 4)**

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

AS SPECIAL BUSINESS

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

6. Authority to allot and issue shares

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

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

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

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

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

Notice of Annual General Meeting

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

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

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

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

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
(see Explanatory Note 1) **(Resolution 6)**

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

BY ORDER OF THE BOARD

LOW MEI WAN (MS)
LIN MOI HEYANG (MS)
Company Secretaries
10 April 2017

Singapore

Notice of Annual General Meeting

Explanatory Notes:

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

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

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

Notes:

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

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary is either:

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

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act, Chapter 36 of Singapore (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under that CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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

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

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

Personal data privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

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

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy Edition Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2017.

*I/We ______________________________ (Name) ____________________ NRIC/Passport No.

of ____

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

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

*and/or

or failing him/them, the Chairman of the meeting as *my/our *proxy to vote for *me/us on *my/our behalf at the Twelfth Annual General Meeting of the Company to be held at 78 Gilstead Road, Singapore 309116 on Tuesday, 25 April 2017 at 10.00 a.m. and at any adjournment thereof.

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

No.	Ordinary Resolutions	For	Against
Ordinary Business			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2016 and the Auditors' Report thereon.		
2.	To approve the Directors' fees of S$114,000 for the financial year ending 31 December 2017, to be paid semi-annually in arrears.		
3.	To re-elect Mr Ong Boon Chuan as a Director of the Company.		
4.	To re-elect Mr Hor Siew Fu as a Director of the Company.		
5.	To re-appoint Messrs Nexia TS Public Accounting Corporation, Public Accountants and Chartered Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Special Business			
6.	To authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this __________ day of ________________ 2017

Total Number of Shares Held

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

** Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:

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

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

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

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

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

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

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

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its representative or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must be lodged with the instrument of proxy, failing which, the instrument may be treated as invalid.

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

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

AFFIX
STAMP

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

Edition Ltd.
ACRA No. 200411873E

Incorporated in the Republic of Singapore
on 16 September 2004

Principal Place of Business
78 Gilstead Road
Singapore 309116

Tel: 65 6440 6633
Fax: 65 6258 1081