

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

PROPOSED DISPOSAL OF INTERESTS IN A SUBSIDIARY

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Edition Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company, had on 5 October 2016, entered into a sale and purchase agreement (the “**Agreement**”) with Onion Holdings Co., Ltd. (formerly known as Oniontech Co., Ltd.) (“**Onion**”), Mr Lee Jei Hoon, Mr Jang Jong Jung and Mr Hur Jung Young (collectively, the “**Purchasers**”), pursuant to which the Company has agreed to sell and the Purchasers have agreed to purchase the entire 57.50% shareholding interests in Onion (based on 1,154,149 issued ordinary shares in the capital of Onion, excluding treasury shares) held by the Company, comprising 663,691 ordinary shares of Onion (the “**Sale Shares**”), for an aggregate consideration of KRW1,775,984,021 or S\$2,139,740¹ (the “**Consideration**”) being KRW2,675.92 or S\$3.224¹ per Sale Share (the “**Proposed Disposal**”).

2. INFORMATION ON THE PURCHASERS AND ONION

2.1 Information on the Purchasers

Mr Lee Jei Hoon is an Executive Director of the Company and Onion. He is responsible for providing guidance and oversight on financial planning and financial management of Onion.

Mr Jang Jong Jung is the Chief Executive Officer of Onion. He is responsible for the overall strategies and management of Onion. He has more than 14 years of experience in managerial and executive positions with other telecommunication companies in Korea.

Mr Hur Jung Young is one of the founders of the Onion and is currently the Chief Technological Officer of Onion. He is responsible for the overall technical management and new business development of Onion.

2.2 Information on Onion

Onion is incorporated in Korea and is engaged in the provision of mobile telecommunication services. It has two (2) wholly-owned subsidiaries, namely Oniontech Co., Ltd. (formerly known as Mobion Co., Ltd.) and Guangzhou Oniontech Information Technology Limited. Oniontech Co., Ltd. is incorporated in Korea and engaged in mobile game development. Guangzhou Oniontech Information Technology Limited is incorporated in the People’s Republic of China (“**PRC**”) and is engaged in ring back tone and mobile game development. Onion further holds 37.1% equity interest in Guangzhou Ebrain Information Technology Co., Ltd., which is incorporated in the PRC and engaged in providing services for the teaching of

¹ Based on the exchange rate of KRW830 to S\$1 agreed between the Company and the Purchasers.

English through telephones.

Based on the latest unaudited consolidated financial statements of the Group for the half year ended 30 June 2016 (“**HY2016 Results**”), the book value and net tangible asset value of the Sale Shares as at 30 June 2016 is US\$2.51 million, and the net loss attributable to the Sale Shares for the half year ended 30 June 2016 (“**HY2016**”) is approximately US\$16,000.

3. SALIENT TERMS OF THE AGREEMENT

3.1 Sale Shares

The number of Sale Shares to be acquired by each of the Purchasers is as follows:

No.	Purchaser	Number of Sale Shares	Interest in Onion (%) ⁽¹⁾	Aggregate Consideration (S\$)
(1)	Onion	441,196 ⁽²⁾	38.23	1,422,416
(2)	Lee Jei Hoon	74,165	6.43	239,108
(3)	Jang Jong Jung	74,165	6.43	239,108
(4)	Hur Jung Young	74,165	6.43	239,108
Total		663,691	57.50	2,139,740

Note:

- (1) The percentage shareholding interest is computed based on 1,154,149 ordinary shares in issue (excluding treasury shares) of Onion. The discrepancy between the listed amounts and the total thereof is due to rounding.
- (2) The Sale Shares acquired by Onion will be held as treasury shares in accordance with Korean laws and regulations.

3.2 Consideration

The Consideration shall be satisfied wholly in cash. All payments to be made by the Purchasers to the Company shall be made in Singapore dollars based on the agreed exchange rate of S\$1 to KRW830 by way of cheque drawn on a licensed bank in Singapore made out in favour of the Company or by such other means as may be agreed in writing between the parties.

The Consideration was determined based on arm’s length negotiations between the parties and was arrived at on a willing-seller-willing-buyer basis, after taking into account, amongst others, the losses incurred by Onion, the financial position of Onion and the less favourable future prospects of Onion’s software solutions business in Korea.

The Consideration of S\$2,139,740 (approximately US\$1,561,854, based on the exchange rate of US\$1 to S\$1.37 on 5 October 2016 (Source: Bloomberg)) represents a loss on disposal of US\$0.28 million and a deficit of US\$0.94 million over the book value of the Sale Shares of US\$2.51 million as at 30 June 2016.

The Agreement does not contain any material conditions.

4. RATIONALE AND USE OF PROCEEDS

The Proposed Disposal accords with the Company's strategy of gradually reducing its involvement in the loss-making software solutions business in Korea, and focusing management time and financial resources on its core businesses in property development and agriculture. The Board is of the view that the Proposed Disposal is in the best interests of the Company. Following the Proposed Disposal, Onion will cease to become a subsidiary of the Company.

The net proceeds from the Proposed Disposal (after deducting related expenses) of approximately S\$2,129,041 will be applied towards the general working capital of the Company.

5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN CHAPTER 10 OF LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")(THE "CATALIST RULES")

The Company disposed of its shareholding in Onion amounting to an aggregate of 980,030 ordinary shares of Onion, representing approximately 45.92% of the then total number of issued ordinary shares (excluding treasury shares) of Onion, which were repurchased by Onion, within the 12 months preceding the date of this announcement (the "**Previous Disposals**"). Please refer to the Company's announcements dated 1 October 2015 and 4 January 2016 for further details. Pursuant to Rule 1005 of the Catalist Rules, the Previous Disposals will be aggregated with the Proposed Disposal for the purposes of computing the relative figures under Rule 1006 of the Catalist Rules. Based on the HY2016 Results, the relative figures for the Previous Disposals and the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Percentage (%)
(a)	Net asset value ⁽¹⁾ of the Sale Shares of approximately US\$6,680,000, compared with the Group's net asset value of approximately US\$24,822,000	26.9
(b)	Net loss ⁽¹⁾⁽²⁾ of approximately US\$27,000 attributable to the Sale Shares, compared with the Group's net loss of approximately US\$857,000	3.2
(c)	Aggregate value of the consideration received of approximately S\$5,300,000 ⁽³⁾ , compared with the Company's market capitalisation of approximately S\$27,620,000 ⁽⁴⁾	19.2
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁶⁾

Notes:

- (1) Onion is a subsidiary of the Company and its financial statements were consolidated into the HY2016 Results. Accordingly, in determining the relative figures, the Company has used 100% (instead of 57.50%) of Onion's net assets as at 30 June 2016 and 100% of Onion's net loss for HY2016.
- (2) Under Rule 1002(3)(b) of the Catalyst Rules, "**net profits**" means profit or loss before income tax, minority interests and extraordinary items. "Net loss" is utilised here for clarity.
- (3) Includes the consideration received from the Previous Disposals of S\$3,159,900.
- (4) The market capitalisation of the Company is calculated on the basis of 2,510,923,690 shares in the capital of the Company (excluding treasury shares) as at the date of this announcement and the volume weighted average price of S\$0.0110 for such shares transacted on 4 October 2016, being the last market day on which the Company's shares were traded preceding the date of the Agreement.
- (5) This is not applicable as the Proposed Disposal pertains to a disposal of assets.
- (6) This is not applicable as the Proposed Disposal is not a disposal of mineral, oil or gas assets.

As the relative figures computed on the bases set out in Rules 1006(a) and (c) exceed 5% but do not exceed 50%, the Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group's consolidated net tangible assets ("**NTA**") per share and the consolidated earnings per share ("**EPS**") have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015. The pro forma financial effects of the Proposed Disposal are presented for illustration purposes only, and are not intended to reflect the actual future financial situation of the Group after completion of the Proposed Disposal.

For the purposes of illustrating the financial effects of the Proposed Disposal, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of the Proposed Disposal on the consolidated NTA per share are computed assuming that the Proposed Disposal had been completed on 31 December 2015;
- (b) the financial effects of the Proposed Disposal on the consolidated EPS are computed assuming that the Proposed Disposal had been completed on 1 January 2015;
- (c) the expenses in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects; and
- (d) an exchange rate of US\$1 to S\$1.37 on 5 October 2016 (Source: Bloomberg).

6.1 NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$'000)	23,258	22,030
Number of shares	2,510,923,690	2,510,923,690
NTA per share (US cents)	0.93	0.88

6.2 EPS

	Before the Proposed Disposal	After the Proposed Disposal
Earnings attributable to equity holders of the Company (US\$'000)	(1,191)	(2,310)
Number of shares	2,510,923,690	2,510,923,690
EPS (US cents)	(0.05)	(0.09)

7. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for Mr Lee Jei Hoon as disclosed above, none of the Directors and/or substantial shareholders of the Company has any interest (direct or indirect) in the Proposed Disposal, other than through their respective shareholdings in the Company.

8. **DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. **DOCUMENTS FOR INSPECTION**

A copy of the Agreement will be made available for inspection by shareholders during normal business hours at the registered address of the Company at 80 Robinson Road, #02-00, Singapore 068898, for a period of three (3) months from the date of this announcement.

10. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

On behalf of the Board

Edition Ltd.

Ong Boon Chuan

Executive Chairman and Chief Executive Officer

5 October 2016

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

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

The contact person for the Company's Sponsor is Ms. Tan Pei Woon (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.