

**Edition Ltd.**  
(Incorporated in Singapore)  
(Company Registration No. 200411873E)

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**PROPOSED ACQUISITION OF 500,000 SHARES IN THE CAPITAL OF ARETE M PTE LTD**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Edition Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) are pleased to announce that the Company had on 31 October 2020 entered into a Share Subscription Agreement (“**Share Subscription Agreement**”) with Arete M Pte Ltd (“**Arete M**”) (Company Registration Number 201413730E), wherein the Company will convert part of the Loan (as defined below) into 500,000 shares in Arete M (“**New Shares**”), representing a percentage of between 22% to 39% of the enlarged issued and paid-up capital of Arete M (“**Subscription**”) depending on the fund raising share subscription take up rate of other investors at Arete M.

Prior to the entry into the Share Subscription Agreement, the Company had entered into the following agreements with Arete M:

- (a) a binding term sheet dated 1 June 2017 (“**Binding Term Sheet**”), pursuant to which the Company disbursed an interest-free deposit of S\$1,500,000 to Arete M, secured by a personal guarantee to the Company (“**Personal Guarantee**”) from the majority shareholder of Arete M (the “**Guarantor**”);
- (b) an addendum to the Binding Term Sheet dated 31 July 2019 wherein the S\$1,500,000 deposit (“**Loan**”) became interest bearing with effect from 1 June 2019 at an interest rate of 6% per annum until the full repayment of the S\$1,500,000 or full conversion of the Loan, including interest into Arete M shares;

As at the date of the announcement, the final total amount outstanding due from Arete M is S\$1,106,430 (being S\$1,000,000 for the Loan, as partial repayment of S\$500,000 was made by Arete M and S\$106,430 being the accrued interest).

Upon conversion of part of the Loan into shares in Arete M and completion of the Subscription, Arete M will become an associated company of the Group.

**2. INFORMATION ON ARETE M**

Arete M Pte Ltd is a Facility Based Operator (“**FBO**”) licensed by the Infocommunication and Media Development Authority of Singapore (“**IMDA**”). Arete M is an early innovator in this field and has the necessary license to design, deploy and operate Private Long Term Evolution (“**pLTE**”) Network in Singapore using a dedicated frequency spectrum in accordance to the rules and regulations of IMDA. The pLTE Network can provide mission critical communication with Total

Isolation from the internet and public networks to achieve one of the highest forms of Cyber Security.

As it uses dedicated frequency spectrum, the pLTE Network is free from interference and can guarantee low and consistent latency that is critical for autonomous robotics control. These include Drones, Autonomous Boats and ground-based Security Robots, Automated Guided Vehicles, etc with real time remote operating capabilities.

### **3. PRINCIPAL TERMS OF THE SHARE SUBSCRIPTION AGREEMENT**

The salient terms of the Share Subscription Agreement are set out below:

- (a) The partial repayment from Arete M to the Company of S\$306,430, being S\$200,000 for the interest-bearing deposit outstanding and S\$106,430 for the accrued interest, which will be settled on or before 31 October 2020;
- (b) The conversion of the remaining S\$800,000 interest-bearing deposit outstanding at a conversion rate of S\$1.60 for one (1) new ordinary share in Arete M, such issued shares shall be treated as fully paid up and shall rank equally and/or pari passu with all existing fully paid up shares issued by Arete M; and
- (c) The Company, Arete M and the Guarantor further agree that upon completion and full performance of Paragraphs 3(a) and 3(b) above, the Personal Guarantee shall be discharged.

### **4. CONSIDERATION**

The aggregate value of the consideration for the Subscription is S\$800,000 ("**Consideration**"), being the remaining interest-bearing deposit outstanding due from Arete M in Paragraph 3(b) above.

The Consideration for the Subscription, was negotiated and entered into between parties on an arm's length and willing-buyer, willing-seller basis, and was satisfied as partial repayment of the Loan. In arriving at the Consideration, the Company had taken into account, *inter alia*, Arete M's earnings and growth potential and its future plans. Arete M has net liabilities of approximately S\$634,000 as of 31 December 2019. No valuation was conducted with respect to the Subscription.

### **5. RATIONALE OF THE SUBSCRIPTION**

The Subscription is part of the Company's business strategy to continue investing in the technology sector, which the Company believes has potential for growth. The Board believes that re-invigorating this segment of the Company's core business will provide shareholders with a potential new income stream and improve its growth prospects. This will eventually enhance the shareholder value. Having considered the terms of the Subscription, the Board is of the view that the Subscription is in the best interests of the Company.

In deciding on the Subscription, the Company considered the following factors:

- a) As the Company's financial performance is currently solely dependent on one core business, that is, agriculture, the Subscription will provide a new income stream which will improve the financial performance.
- b) Arete M is in the private enterprise network market and is emerging as a strong industry trend in the Industry 4.0 Transformation. Being an early innovator that had secured the license to deploy and operate pLTE Network in Singapore, Arete M has the potential to be a substantial player in this new market opportunity.

## 6. RELATIVE FIGURES FOR THE SUBSCRIPTION

### Relative figures under Rule 1006 of the Catalyst Rules

Based on the latest announced unaudited consolidated accounts of the Group for the half year ended 30 June 2020 ("1H2020") and the unaudited accounts of Arete M for the financial year ended 31 December 2019, the relative figures for the Subscription computed on the relevant bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited ("SGX-ST")(the "Catalist Rules") are as follows:

Catalist Rule 1006	Bases	%
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net loss.	-1.8% to -3.3% depending on the fund raising take up rate of other investors at Arete M <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued ordinary shares of the Company excluding treasury shares.	6.4% <sup>(2)</sup>
(d)	The 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 <sup>(3)</sup>
(e)	The 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. This basis is applicable to a disposal or mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable <sup>(4)</sup>

Notes:

- (1) Computed based on the unaudited net loss before tax of the Group for 1H2020 of approximately S\$844,000 and share of the unaudited net profit before tax of Arete M for the full financial year ended 31 December 2019 attributable to the New Shares of approximately S\$16,000 to S\$28,000 depending on the fund raising take up rate of other investors at Arete M.
- (2) Computed based on the Consideration of S\$800,000 and the Company's market capitalisation of S\$12.6 million (being its issued ordinary share capital of the Company ("**Shares**") of 2,510,923,690 Shares and the volume weighted average price of S\$0.005 per Share on 12 October 2020 being the last trading date preceding the date of the Share Subscription Agreement.)
- (3) The Subscription does not involve the issue of equity shares of the Group.
- (4) The Company is not a mineral oil or gas company.

As the relative figure computed under Catalist Rule 1006(c) is more than 5% but does not exceed 50% and the transaction falls under the scenario provided for in Paragraph 4.4(b) of Practice Note 10A of the Catalist Rules, accordingly the Subscription constitutes a "discloseable" transaction under Chapter 10 of the Catalist Rules.

## 7. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The financial effects of the Subscription set out below are strictly for illustrative purposes only and do not reflect the actual future financial performance and position of the Group following the Subscription. The figures presented below are based on the Group's latest audited consolidated financial statements for financial year ended 31 December 2019 ("**FY2019**").

### Effects on net tangible assets ("**NTA**")

Had the Subscription been effected on 31 December 2019, the financial effect on the NTA of the Group for FY2019 is as follows:

	<b>Before Subscription</b>	<b>After Subscription</b>
Consolidated NTA attributable to the shareholders of the Company (S\$'000)	17,605	17,605
Number of issued Shares, excluding treasury shares ('000)	2,510,924	2,510,924
Net tangible assets per Share (Singapore cents)	0.70	0.70

### Effects on loss per share

Had the Subscription been effected on 1 January 2019, the financial impact on the Company's earnings per share for FY2019 is as follows:

	<b>Before Subscription</b>	<b>After Subscription</b>
Net loss attributable to shareholders before tax and non-controlling interests (S\$'000)	(6,042)	(6,026) <sup>(1)</sup> to (6,014) <sup>(1)</sup> depending on the fund raising take up

		rate of other investors at Arete M
Weighted average number of issued Shares, excluding treasury Shares ('000)	2,510,924	2,510,924
Loss per Share (Singapore cents)	(0.24)	(0.24)

**Note:**

(1) Computed based on the audited net loss before tax of the Group for FY2019 of approximately S\$6,042,000 and share of the unaudited net profit before tax of Arete M for the full financial year ended 31 December 2019 attributable to the New Shares of approximately S\$16,000 to S\$28,000 depending on the fund raising take up rate of other investors at Arete M.

**8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

To the best knowledge of the Directors, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Subscription (other than their respective shareholding interests in the Company, if any).

**9. SERVICE CONTRACTS**

At present, there is no intention to appoint any new directors to the Board in connection with the Subscription.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Shareholders should note that a copy of the Share Subscription Agreement will be available for inspection during normal business hours at the Company's registered office at 80 Robinson Road, #02-00, Singapore 068898 for a period of three (3) months from the date of this announcement.

**11. FURTHER ANNOUNCEMENTS**

The Company will make further announcement(s) to keep shareholders informed, as and when there are further updates or developments in due course.

**12. RESPONSIBILITY STATEMENT**

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) 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 Subscription, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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 announcement in its proper form and context.

### **13. CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in the Company's shares. The Subscription is subject to such further terms and conditions as are customary in similar transactions. The Company will provide further details, where necessary, in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate junctures. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax, legal or other professional advisors.

**By Order of the Board  
Edition Ltd.**

Ong Boon Chuan  
Executive Director and Chief Executive Officer  
2 November 2020

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This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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 Sponsor is Ms Tay Sim Yee (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.