

Edition Ltd. and its subsidiary corporations

**Condensed interim financial statements
For the 12 months ended 31 December 2022**

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Consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		6 months ended 31 December			12 months ended 31 December		
		2022	2021	Change	2022	2021	Change
		Unaudited	Unaudited		Unaudited	Audited	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4.2	151	97	56	266	211	26
Other gains		294	137	> 100	336	323	4
Expenses:							
Employees compensation		(632)	(1,082)	(42)	(1,610)	(1,881)	(14)
Change in inventories		5	2	> 100	68	6	> 100
Purchases of inventories		(87)	(71)	23	(204)	(120)	70
Rental expense on operating lease		(11)	(14)	(21)	(25)	(30)	(17)
Amortisation and depreciation		12	(126)	NM	(64)	(238)	(73)
Professional fees		(140)	(73)	92	(276)	(188)	47
Finance costs		(10)	(11)	(9)	(21)	(14)	50
Other expenses		(336)	(255)	32	(581)	(458)	27
Allowance for expected credit losses on receivables		(1)	(61)	(98)	(1)	(85)	(99)
Impairment loss on investment in associated company		-	(592)	NM	-	(592)	NM
Impairment (reversal of impairment) loss on property, plant and equipment		(2,500)	135	NM	(2,500)	-	NM
Total expenses		(3,700)	(2,148)	72	(5,214)	(3,600)	45
Share of loss of associated company, net of tax		-	(84)	NM	-	(197)	NM
Loss before income tax	6.1	(3,255)	(1,998)	63	(4,612)	(3,263)	41
Income tax expense	7	-	-	NM	-	-	NM
Net loss for the year		(3,255)	(1,998)	63	(4,612)	(3,263)	41

NM - Not meaningful

Consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group			Group		
	6 months ended 31 December		Change	12 months ended 31 December		Change
	2022	2021		2022	2021	
	Unaudited	Unaudited		Unaudited	Audited	
\$'000	\$'000	%	\$'000	\$'000	%	
Other comprehensive (loss)/income, after tax:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences on translation of financial statements of foreign subsidiaries	(69)	2	NM	(72)	(13)	> 100
Other comprehensive (loss)/income, net of tax	(69)	2	NM	(72)	(13)	> 100
Total comprehensive (loss)/income	(3,324)	(1,996)	67	(4,684)	(3,276)	43
Net loss attributable to:						
Equity holders of the Company	(3,233)	(1,998)	62	(4,589)	(3,263)	41
Non-controlling interest	(22)	-	NM	(23)	-	NM
	(3,255)	(1,998)	63	(4,612)	(3,263)	41
Total comprehensive loss attributable to:						
Equity holders of the Company	(3,302)	(1,996)	65	(4,661)	(3,276)	42
Non-controlling interest	(22)	-	NM	(23)	-	NM
	(3,324)	(1,996)	67	(4,684)	(3,276)	43
Loss per share attributable to equity holders of the Company						
Basic and diluted loss per share (SGD cents per share)	(0.13)	(0.08)	63	(0.18)	(0.13)	38

Statements of financial position

	Note	Group		Company	
		As at	As at	As at	As at
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		Unaudited	Audited	Unaudited	Audited
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	1,756	7,728	396	6,303
Trade and other receivables		284	419	7,168	2,027
Inventories		138	70	-	-
		2,178	8,217	7,564	8,330
Non-current asset classified as held-for-sale	15	1,066	-	-	-
		3,244	8,217	7,564	8,330
Non-current assets					
Property, plant and equipment	11	6,129	5,245	* -	1
Intangible assets	12	114	115	-	-
Investment in subsidiary corporations	13	-	-	2,595	6,294
Investment in associated company	14	-	-	-	-
Land development rights	15	-	1,133	-	-
Non-current other receivables	16	578	-	-	-
		6,821	6,493	2,595	6,295
Total assets		10,065	14,710	10,159	14,625
LIABILITIES					
Current liabilities					
Lease liabilities		-	20	-	-
Trade and other payables		2,858	2,562	395	274
Bank borrowings	17	198	194	-	-
		3,056	2,776	395	274
Non-current liabilities					
Lease liabilities		-	-	-	-
Bank borrowings	17	550	745	-	-
Provision		-	46	-	-
		550	791	-	-
Total liabilities		3,606	3,567	395	274
Net assets		6,459	11,143	9,764	14,351
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	18	43,079	43,079	43,079	43,079
Treasury shares	18	(1,236)	(1,236)	(1,236)	(1,236)
Other reserves		115	187	269	269
Accumulated losses		(35,476)	(30,887)	(32,348)	(27,761)
		6,482	11,143	9,764	14,351
Non-controlling interests		(23)	* -	-	-
Total equity		6,459	11,143	9,764	14,351

* Amount less than \$1,000

Statements of changes in equity

	Attributable to equity holders of the Company					Non-controlling interest	Total equity
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total		
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Unaudited</u>							
At 1 January 2022	43,079	(1,236)	187	(30,887)	11,143	-	11,143
Total comprehensive loss for the financial year	-	-	(72)	(4,589)	(4,661)	(23)	(4,684)
At 31 December 2022	43,079	(1,236)	115	(35,476)	6,482	(23)	6,459
<u>Audited</u>							
At 1 January 2021	43,079	(1,236)	200	(27,624)	14,419	-	14,419
Incorporation of a subsidiary corporation	-	-	-	-	-	*-	*-
Total comprehensive loss for the financial year	-	-	(13)	(3,263)	(3,276)	-	(3,276)
At 31 December 2021	43,079	(1,236)	187	(30,887)	11,143	*-	11,143

* Amount less than \$1,000

	Share capital	Treasury shares	Other reserves	Accumulated losses	Total equity
Company	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Unaudited</u>					
At 1 January 2022	43,079	(1,236)	269	(27,761)	14,351
Total comprehensive loss for the financial year	-	-	-	(4,587)	(4,587)
At 31 December 2022	43,079	(1,236)	269	(32,348)	9,764
<u>Audited</u>					
At 1 January 2021	43,079	(1,236)	269	(25,975)	16,137
Total comprehensive loss for the financial year	-	-	-	(1,786)	(1,786)
At 31 December 2021	43,079	(1,236)	269	(27,761)	14,351

Consolidated statement of cash flows

	Note	Group	
		12 months ended 31 December	
		2022	2021
		Unaudited \$'000	Audited \$'000
Cash flows from operating activities			
Net loss before income tax		(4,612)	(3,263)
<u>Adjustments for:</u>			
Amortisation and depreciation		64	238
Finance costs		21	14
Interest income		(39)	(28)
Allowance for doubtful deposits		70	-
Loss allowance for expected credit losses on receivables		1	85
Gain on lease modification		-	(29)
Impairment loss on investment in associated company		-	592
Share of loss of an associated company, net of tax		-	197
Impairment loss on property, plant and equipment		2,500	-
Currency translation differences		(5)	-
Operating cash flow before working capital changes		(2,000)	(2,194)
<u>Changes in working capital:</u>			
Trade and other receivables		(36)	(211)
Inventories		(68)	(6)
Land development rights		(1)	(4)
Trade and other payables		241	700
Cash used in operations		(1,864)	(1,715)
Interest received		11	28
Interest paid		(21)	(12)
Net cash used in operating activities		(1,874)	(1,699)
Cash flows from investing activities			
Additions to property, plant and equipment		(3,654)	(3,943)
Government grants received for reimbursement of purchase of property, plant and equipment		207	1,209
Long-term loan to non-related party		(450)	-
Net cash used in investing activities		(3,897)	(2,734)
Cash flows from financing activities			
Proceeds from bank borrowings		-	1,000
Repayment of bank borrowings		(191)	(63)
Decrease (increase) in bank deposits restricted for use		208	(955)
Repayment of lease liabilities		(10)	(133)
Loan to an associated company		-	(61)
Repayment of loan from a non-related company		-	23
Net cash generated from (used in) financing activities		7	(189)
Net decrease in cash and cash equivalents		(5,764)	(4,622)
Cash and cash equivalents at beginning of the financial year		6,773	11,395
Effects of currency translation on cash and cash equivalents		1	* -
Cash and cash equivalents at end of the financial year	10	1,010	6,773

* Amount less than \$1,000

Notes to the condensed interim financial statements

1 Corporate information

Edition Ltd. ("the Company") is incorporated and domiciled in Singapore. The Company's shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited.

These condensed interim financial statements as at and for the year ended 31 December 2022 comprise the results of the Company and its subsidiaries (collectively, "the Group").

The primary activities of the Company are that of investment holding and provision of management services. The principal activities of the Group are that of (a) agricultural and related business; and (b) investment holdings.

2 Basis of preparation

The condensed interim financial statements for the year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 Going concern

The Group incurred a total comprehensive loss attributable to the equity holders of the Company of \$4,661,000 for the financial year ended 31 December 2022 (2021: \$3,276,000). As at 31 December 2022, the Group's net current assets has decreased to \$188,000 (2021: \$5,441,000). These conditions indicate the existence of events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. At the date of these financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due over the next twelve months, having assessed the following measures:

- The Company had entered into a loan facility agreement of \$2,000,000 with the controlling shareholder, B&L Goup Pte Ltd on 22 February 2023;
- The plan is to complete the construction of the high-technology farm. Commercial operations on the completed farm will commence once regulatory approvals have been obtained. Construction and obtaining of approvals are concurrent, with both processes expected to complete by the second quarter of 2023; and
- The Group is actively looking for a buyer to dispose the land development rights.

Accordingly, the financial statements have been prepared on the going concern basis. Should the going concern assumption become inappropriate, adjustments may have to be made to:

- The carrying value of assets to reflect the situation that assets may need to be realised at a lower value other than the carrying value;
- Liabilities to provide for further liabilities that may arise; and
- Reclassify non-current assets and non-current liabilities as current.

No adjustments have been made in the financial statements in respect of these.

2.2 New and amended standards adopted by the Group

During the financial year, the Group and the Company have adopted the following new and amended standards to SFRS(I)s which took effect from the financial year beginning 1 January 2022:

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract
- Amendment to SFRS(I) 9: Financial Instruments
- Amendment to SFRS(I) 1-41: Agriculture
- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current

The adoption of the above new and amendments to SFRS(I)s did not result in material effect to the financial statements and the financial position of the Group and the Company for the financial year ended 31 December 2022.

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, the Group has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Group in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 2.1 – In carrying out the going concern basis assumption assessment, significant judgements are involved. Actual outcome may differ significantly from assessments
- Note 10 – impairment test of property, plant and equipment
- Note 11 – impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 13 – investment in subsidiary corporation: key assumptions underlying recoverable amounts
- Note 15 – classification of land development rights and its fair value determination
- Note 16 – estimates on expected credit losses on the Group's non-current other receivables from a non-related company of \$578,000

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Board of Directors considers the business from both the business segment and geographic perspective. From the business perspective, the Group considers the agriculture business. Geographically, the Group considers two primary geographic areas, namely Singapore and Malaysia.

The Company's key decision makers are the Chief Executive Officer and the Board of Directors, who are responsible for making strategic decisions, allocating resources and assessing the performance. The Group has determined the operating segments based on the reports reviewed by the key decision makers.

For the financial years ended 31 December 2022 and 31 December 2021, the agriculture business has been reported separately under the "agricultural segment". The Group has exited from the property development segment. The Group is actively looking for a buyer to dispose of the land development rights. The Group has therefore grouped it with the investment holding segment as they both share similar economic characteristics. The investment holding segment is included under "all other segments".

4.1 Reportable segments (cont'd)

Business segments	Agricultural segment		# All other segments		Consolidated	
	12 months ended		12 months ended		12 months ended	
	31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
- External parties	266	211	-	-	266	211
Segment results, representing loss before income tax	(3,596)	(1,353)	(1,016)	(1,910)	(4,612)	(3,263)
Segment results include:						
- Interest income	28	*-	11	28	39	28
- Amortisation and depreciation	(63)	(237)	(1)	(1)	(64)	(238)
- Finance costs	(21)	(14)	-	-	(21)	(14)
- Allowance for doubtful deposits	(70)	-	-	-	(70)	-
- Allowance for expected credit losses	(1)	*-	-	(85)	(1)	(85)
- Impairment loss on investment in associated company	-	-	-	(592)	-	(592)
- Impairment loss on property, plant and equipment	(2,500)	-	-	-	(2,500)	-
- Share of loss of associated company, net of tax	-	-	-	(197)	-	(197)
	As at	As at	As at	As at	As at	As at
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	8,441	7,093	1,624	7,617	10,065	14,710
	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets include:						
Additions to:						
- Property, plant and equipment	3,654	3,943	-	-	3,654	3,943
- Land development rights	-	-	1	4	1	4
	As at	As at	As at	As at	As at	As at
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment liabilities	3,132	3,264	474	303	3,606	3,567

All other segments include investment holding and the land development rights that the Group has reclassified to current assets as non-current asset classified as held-for-sale

* Amount less than \$1,000

Geographical segments

	Group revenue		Group non-current assets	
	12 months ended		As at	As at
	31 December			
	2022	2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
- Singapore	266	211	6,821	5,360
- Outside Singapore	-	-	-	1,133
	266	211	6,821	6,493

4.2 Disaggregation of revenue

Business segments	Agricultural segment		# All other segments		Consolidated	
	12 months ended		12 months ended		12 months ended	
	31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Types of goods or services:						
Sale of goods	266	211	-	-	266	211
Total revenue	266	211	-	-	266	211
Timing of revenue:						
At point in time	266	211	-	-	266	211
Total revenue	266	211	-	-	266	211

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Group		Company	
	As at	As at	As at	As at
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	1,756	7,728	396	6,303
Trade and other receivables	162	326	7,149	2,018
Non-current other receivables	578	-	-	-
Total	2,496	8,054	7,545	8,321
Financial liabilities				
Trade and other payables	1,807	2,562	395	274
Lease liabilities	-	20	-	-
Bank borrowings	748	939	-	-
Total	2,555	3,521	395	274

6 Profit before taxation

6.1 Significant items

	Group		Group	
	6 months ended 31 December		12 months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest income	(21)	108	(39)	(28)
Allowance for doubtful deposits	70	-	70	-
Impairment (reversal of impairment) loss on property, plant and equipment	2,500	(135)	2,500	-
Foreign exchange loss	24	26	1	26
Employees compensation capitalised to property, plant and equipment	(410)	-	(410)	-

6.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following purchase of services transactions took place between the Group and related parties at terms agreed between the parties at arm's length:

	Group		Group	
	6 months ended 31 December		12 months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Short term lease of storage space	-	2	-	4
Provision of services from a related party	216	179	356	226
Purchase of concrete materials and farm development materials from related party	40	248	71	248
Rendering of corporate services from a related party	47	47	94	94
Purchases of consumables from a related party	-	-	* -	-

* Amount less than \$1,000

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group		Group	
	6 months ended 31 December 2022	2021	12 months ended 31 December 2022	2021
	\$'000	\$'000	\$'000	\$'000
Income tax expense				
Current income tax expense	-	-	-	-
Deferred income tax expense	-	-	-	-
Total income tax expense	-	-	-	-

8 Dividend

No dividend has been declared for the 12 months ended 31 December 2022.

9 Net asset value

	Group		Company	
	As at 31/12/2022	As at 31/12/2021	As at 31/12/2022	As at 31/12/2021
Net asset value (SGD'000)	6,482	11,143	9,764	14,351
Ordinary shares in issue ('000)	2,510,924	2,510,924	2,510,924	2,510,924
Net asset value/Share attributable to equity holders of the Company (SGD cents)	0.26	0.44	0.39	0.57

10 Cash and cash equivalents

	Group	
	As at 31/12/2022	As at 31/12/2021
	\$'000	\$'000
Cash at bank and on hand	1,756	7,222
Short-term bank deposits	-	506
Cash and cash equivalents	1,756	7,728
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:		
Cash and cash equivalents	1,756	7,728
Less: Bank deposits restricted for use	(746)	(955)
Cash and cash equivalents per consolidated statement of cash flows	1,010	6,773

Bank deposits restricted for use is in relation to a condition imposed by a financial institution on a subsidiary's proceeds from a secured borrowing. Upon meeting the condition, the full proceeds will be available for unrestricted use.

11 Property, plant and equipment

During the 12 months ended 31 December 2022, the Group purchased property, plant and equipment with an aggregate cost of \$3,654,000 (31 December 2021: \$3,943,000).

In performing the impairment assessment of the carrying amount of property, plant and equipment, the recoverable amounts are determined using value-in-use (“VIU”) calculations. Significant judgements are used to estimate the gross margin, weighted average growth rates and the pre-tax discount rates applied in computing the recoverable amounts of the cash generating unit (“CGU”) to which the asset belongs. In making these estimates, management has relied on past performance, its expectation of market developments in Singapore and the industry trend for agriculture. The recoverable amounts of these assets and, where applicable, CGU, have been determined based on the higher of fair value less costs to sell and VIU. The carrying amounts of Group’s property, plant and equipment as at 31 December 2022 are \$6,129,000 (31 December 2021: \$5,245,000).

Impairment charge recognised for the year ended 31 December 2022 are \$2,500,000 (31 December 2021: \$nil).

12 Intangible assets

	Group			Company	
	As at 31/12/2022			As at 31/12/2022	
	\$'000	\$'000	\$'000	\$'000	\$'000
	Goodwill	Software	Total	Software	Total
At cost					
Beginning of financial year	114	17	131	8	8
Addition during the financial year	-	-	-	-	-
Disposal during the financial year	-	-	-	-	-
End of financial year	114	17	131	8	8
Accumulated amortisation					
Beginning of financial year	-	16	16	8	8
Amortisation during the financial year	-	1	1	-	-
Disposal during the financial year	-	-	-	-	-
End of financial year	-	17	17	8	8
Net book value					
End of financial year	114	-	114	-	-
Beginning of financial year	114	1	115	-	-

The goodwill arose from the acquisition of a subsidiary corporation Meod Pte Ltd ("MEOD") in 2016. The goodwill was attributable to the commercial viability of the production of agricultural products as well as distribution network in MEOD.

Goodwill is allocated to the Group's cash-generating units (“CGUs”) identified according to countries of operation and business segments. The recoverable amount of the identified CGU was based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management. They cover a sixteen-year period (2021: seventeen-year period) and use growth rates based on projected performances and its expectations on market development.

The discount rate applied was 11% (2021: 11%) after considering time value of money, individual risk of underlying assets and is comparable to market participants. The discount rate used was pre-tax and reflected specific risks relating to the relevant segments.

As at the reporting date, the recoverable amount of the CGU exceeded its carrying amount and no impairment is required. If the pre-tax discount rate in the cash flow projections used in the value-in-use calculations had been raised by 10% (2021: 18%), the recoverable amount would equal to the carrying amount.

13 Investment in subsidiary corporations

The Company's investment in subsidiary corporations is carried at cost less accumulated impairments. For the purpose of impairment assessment, the recoverable amount (ie the higher of fair value less cost to sell and value-in-use ("VIU")) is determined for the cash-generating-unit to which the assets belong. From a combination of quantitative factors, qualitative factors and the application of the VIU (cash flow projections) method, the recoverable amount of the investments in subsidiary corporations is determined. Accordingly, an impairment has been provided as at 31 December 2022.

Impairment charge recognised for the year ended 31 December 2022 is \$3,699,000 (31 December 2021: \$9,664,000).

14 Investment in associated company

	Group		Company	
	As at 31/12/2022 \$'000	As at 31/12/2021 \$'000	As at 31/12/2022 \$'000	As at 31/12/2021 \$'000
Equity investment at cost				
Beginning of financial year	800	-	800	-
Additions	-	800	-	800
End of financial year	800	800	800	800
Movements during the financial year				
Beginning of financial year	(800)	(11)	800	-
Additions	-	-	-	800
Share of results of associated company	-	(197)	-	-
Impairment of loss on investment	-	(592)	-	-
End of financial year	(800)	(800)	800	800

15 Non-current asset classified as held-for-sale

Land development rights

	Group	
	As at 31/12/2022 \$'000	As at 31/12/2021 \$'000
Beginning of financial year	1,133	1,142
Additions	1	4
Currency translation differences	(68)	(13)
End of financial year	<u>1,066</u>	<u>1,133</u>
Classified under:		
Non-current assets	-	1,133
Current assets	1,066	-
End of financial year	<u>1,066</u>	<u>1,133</u>

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

A valuation on the aforementioned land as at 31 December 2022 was carried out by an independent professional valuer Nasir, Sabaruddin & Associates Sdn Bhd, registered under The Board of Valuers, Appraisers and Estate Agents and Property Managers of Malaysia. The valuation method adopted is the market comparison method based on market value basis. The valuer possesses relevant skillsets and experience in the valuation of land at this location. Management assessed no significant change for the period from 1 January 2022 to 31 December 2022 except for a reclassification from non-current assets to current assets.

The Group will not be developing the piece of vacant land. The Group's plan to recover the carrying amount of the land development rights will be principally through a sale transaction. The land development rights is available for immediate sale in its present condition. The Group is actively looking for a buyer to complete the plan to dispose the land development rights. Accordingly, the land development rights has been classified under current assets as assets held-for-sale.

16 Non-current other receivables

As at 31 December 2022, the Group extended a loan of an aggregate \$550,000 to a non-related third party pursuant to a strategic partnership investment and convertible loan agreement announced on 1 March 2022. The accrued interest amount, at an interest rate of 6% per annum is \$28,000. Under SFRS(I) 9 Financial Instruments, an entity shall measure the loss allowance for expected credit losses on a financial asset that is measured at amortised cost. The expected credit losses as at 31 December 2022 are \$nil (31 December 2021: \$nil).

	Group	
	As at 31/12/2022 \$'000	As at 31/12/2021 \$'000
Beginning of financial year	100	-
Additions	450	100
Accrued interest	28	-
	578	100
Less: reflected in current other receivables	-	(100)
End of financial year	578	-

17 Bank borrowings - secured

	Group		Group	
	As at 31/12/2022		As at 31/12/2021	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	198	-	194	-
Amount repayable after one year	550	-	745	-

Details of any collaterals

The Group's secured borrowings comprise bank borrowing. Bank borrowing is secured over:

- (a) A Deed of Subordination from the Company in favour of the financial institution in respect of loans extended to the subsidiary corporation;
- (b) Fixed and floating charge over a subsidiary corporation's assets and receivables; and
- (c) Deed of Guarantee and Indemnity provided by a director of the subsidiary corporation.

18 Share capital

Issued and fully paid-up ordinary shares of the Company ("Shares")

Movements in the Company's Shares since 1 January 2022 up to 31 December 2022 were as follows:

	Number of shares	Issued and paid-up capital
	'000	\$'000
Balance as at 31 December 2022 and 31 December 2021:		
Issued ordinary shares excluding treasury shares	2,510,924	41,843
Treasury shares	12,374	1,236

Pursuant to Edition Employee Share Option Scheme (the "Scheme") and Edition Performance Share Plan (the "Plan"), which were approved at the extraordinary general meeting of the Company held on 21 November 2017, a total of 35,448,335 share options and 8,862,084 awards were granted by the Company on 18 December 2017. As at 31 December 2022, the number of shares that may be issued

on conversion of outstanding convertibles is 39,168,595 shares (31 December 2021: 39,168,595 shares), if fully vested. As at 31 December 2022, the number of share options and awards that are vested is nil (31 December 2021: nil).

As at 31 December 2022, 12,374,000 shares (31 December 2021: 12,374,000 shares) are held as treasury shares. The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 31 December 2022 is 0.49% (31 December 2021: 0.49%). There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2022 (31 December 2021: nil).

There are no subsidiary holdings as at 31 December 2022 (31 December 2021: nil). There was no sale, transfer, disposal, cancellation and/or use of subsidiary holdings as at 31 December 2022 (31 December 2021: nil).

19 Subsequent events

Subsequent to the financial year ended 31 December 2022, the Company entered into an interested person transaction with its controlling shareholder, B&L Group Pte Ltd (“B&L Group”) on 22 February 2023. Under the transaction, B&L Group granted a loan facility of \$2,000,000 to the Company up to 15 April 2024 at an interest rate of 8% per annum. The loan facility is to support the Group’s working capital and existing investment commitment requirements.

Other Information Required by Catalist Rule Appendix 7C

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim financial statements of Edition Ltd. and its subsidiary corporations as at 31 December 2022 have not been audited or reviewed by auditors.

2 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

2A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

Updates on the efforts taken to resolve each outstanding audit issue.

Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty related to going concern.

Not applicable. The Group’s latest audited financial statements for the financial year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

2HY2022 vs 2HY2021

In the second half-year ended 31 December 2022 (“2HY2022”), the Group continued with the sales of produce from our own farm and trading sales of agricultural produce from other farms. The Group started trading sales of agricultural produce in the second half-year ended 31 December 2021 (“2HY2021”).

The Group revenue for 2HY2022 increased to \$0.15 million from \$0.10 million in 2HY2021. In 2HY2021, MEOD scaled down its production towards the last quarter in phases in order to move the growing systems to the 6-hectare location. Modular structures were set up at the 6-hectare location to house a temporary farm. In 2HY2022, the temporary farm at the 6-hectare location stabilised its production.

Other gains were \$0.29 million in 2HY2022, as compared to \$0.14 million in 2HY2021, mainly due to recognition of grant income.

Total expenses for 2HY2022 increased by 72% to \$3.70 million, from \$2.15 million in 2HY2021. This was mainly due to the following:

- The decrease in employee compensation to \$0.63 million in 2HY2022 from \$1.08 million in 2HY2021 was mainly due to capitalisation to property, plant and equipment of \$0.41 million;
- Changes in inventories and purchases of inventories in aggregate increased from \$0.07 million to \$0.08 million was in tandem with revenue;
- Amortisation and depreciation for 2HY2022 was a negative \$0.01 million due to reduction in depreciation arising from recognition of grant received to property, plant and equipment;
- Professional fees increased to \$0.14 million in 2HY2022 from \$0.07 million in 2HY2021;
- Other expenses in 2HY2022 increased by \$0.08 million to \$0.34 million from \$0.26 million in 2HY2021 mainly due to an allowance loss on the Group’s refundable rental deposit of the vacated 1-hectare farm and increase in utilities rates;
- The Group recorded an allowance for expected credit loss on receivable of \$0.06 million in 2HY2021 arising from the loan extended to the Group’s associated company, Arete M Pte Ltd. Expected credit loss on receivables amounting to \$1,000 was recorded in 2HY2022;
- The Group recorded an impairment loss on investment of \$0.59 million in 2HY2021 arising from the investment in Arete M Pte Ltd;
- The Group recorded an impairment loss on property, plant and equipment of \$2.50 million in 2HY2022 from the carrying value of purchases made on the 6-hectare high-technology farm.

The Group recognised a share of associated company’s loss of \$84,000 in 2HY2021. No share of loss was recognised in 2HY2022 as the cost of investment in Arete M Pte Ltd has been fully impaired as at 31 December 2022.

As a result of the above, the Group registered a net loss before tax of \$3.26 million in 2HY2022, as compared to a net loss of \$2.00 million in 2HY2021.

FY2022 vs FY2021

During the full-year ended 31 December 2022 (“FY2022”), the Group continued with the sales of produce from our own farm and trading sales of agricultural produce from other farms.

The Group’s revenue for FY2022 increased by \$0.06 million to \$0.27 million from \$0.21 million for the financial year ended 31 December 2021 (“FY2021”). Revenue was affected by the scaling down of the Group’s 1-hectare pilot farm in the first half of FY2022 which the Group vacated in February 2022. Revenue picked up in the second half of FY2022 following the stabilisation of production from the Group’s temporary farm and trading sales.

Other gains were \$0.34 million in FY2022, as compared to \$0.32 million in FY2021, mainly due to grant income.

Total expenses for FY2022 increased by 45% to \$5.21 million, from \$3.60 million in FY2021. This was mainly due to the following:

- The decrease in employees compensation to \$1.61 million in FY2022 from \$1.88 million in FY2021 was mainly due to capitalisation of employees compensation of \$0.41 million to property, plant and equipment for the development of the 6-hectare high-technology farm, partly offset by restoration of the monthly variable component of employees compensation;
- Changes in inventories and purchases of inventories in aggregate remained at the same approximate level at \$0.14 million in FY2022 in tandem with revenue;
- Amortisation and depreciation for FY2022 decreased by \$0.18 million to \$0.06 million from \$0.24 million in FY2021 mainly due to the reduction of asset cost arising from grant received;
- Professional fees in FY2022 amounting to \$0.28 million as compared to \$0.19 million in FY2021 mainly due to additional regulatory compliance services;
- Finance costs in FY2022 were higher than in FY2021 due to interest on bank borrowings commencing only from the second half of FY2021;
- Other expenses for FY2022 increased by 27% to \$0.58 million from \$0.46 million in FY2021 mainly due to increase in utilities rates and an allowance loss on the Group's refundable rental deposit of the vacated 1-hectare farm;
- The Group recorded an allowance for expected credit losses on receivables of \$1,000 in FY2022 as compared with \$0.09 million in FY2021. In FY2021, the Group recorded an allowance for expected credit loss on receivable of \$0.06 million and \$0.03 million arising from the loan extended to the Group's associated company, Arete M Pte Ltd and the loan interest due from Hyperlync, respectively;
- The Group recorded an impairment loss on investment of \$0.59 million in FY2021 arising from the investment in Arete M Pte Ltd;
- The Group recorded an impairment loss on property, plant and equipment of \$2.50 million in FY2022 from the carrying value of purchases made on the 6-hectare high-technology farm.

The Group did not recognise any share of the associated company's loss in FY2022 as the cost of investment has been fully impaired as at 31 December 2021 and 31 December 2022.

As a result of the above, the Group registered a net loss before tax of \$4.61 million in FY2022, as compared to a net loss of \$3.26 million in FY2021.

Balance Sheet

Compared to FY2021, the Group's cash and cash equivalents balance has decreased by \$5.97 million, from \$7.73 million in FY2021 to \$1.76 million in FY2022. Please refer to the explanation on Statement of Cash Flows below.

Non-current other receivables increased to \$0.58 million in FY2022 due to a loan extended to a non-related party pursuant to a strategic partnership and convertible loan agreement. Please refer to the Company's announcement dated 1 March 2022 for more details. \$0.03 million was interest on the loan. \$0.10 million was extended in FY2021 and reclassified from current other receivables to non-current other receivables.

Current trade and other receivables comprise trade receivables from agricultural produce sales, deposits and prepayments. Trade and other receivables decreased by \$0.14 million in FY2022 to \$0.28 million, from \$0.42 million in FY2021 mainly due to reclassification to non-current other receivables of \$0.10 million and an allowance loss on the Group's refundable rental deposit.

Inventories increased from \$0.07 million in FY2021 to \$0.14 million in FY2022. The increase was mainly due to purchases to avoid global disruptions to supply.

Property, plant and equipment increased from \$5.25 million in FY2021 to \$6.13 million in FY2022. The increase was mainly due to purchases of plant and equipment, partly offset by depreciation and recognition of an impairment loss on property, plant and equipment.

Intangible assets decreased to \$114,000 in FY2022 from \$115,000 in FY2021 due to amortisation.

Land development rights was reclassified from non-current assets to non-current assets held-for-sale under current assets as the Group's intention is to realise the value of the asset via disposal. Land development rights decreased to \$1.07 million in FY2022 from \$1.13 million in FY2021 mainly due to foreign currency translation loss of Ringgit Malaysia to Singapore Dollar.

Trade and other payables increased from \$2.56 million in FY2021 to \$2.86 million in FY2022 mainly due to increase in purchases and accruals, partly offset by recognition of deferred grant income to income statement.

Bank borrowings decreased from \$0.94 million in FY2021 to \$0.75 million in FY2022 due to repayment.

As a result of the above, net assets of the Group stood at \$6.46 million as at 31 December 2022.

Statement of Cash Flows

The net cash outflow from operating activities for FY2022 was mainly due to overheads incurred in the agricultural segment and corporate holding company. Changes in working capital was mainly due to increase in trade receivables, purchases of inventories, offset by increase in purchases and accruals. The Group continued to experience net cash used in operations due to high operating expenditures, not yet offset by revenue. Net cash outflow from investing activities was mainly due to significant purchases of plant and equipment for the high-technology farm and investment loan extended to a non-related party, offset by government grant received for reimbursement of purchase of property, plant and equipment. The high-technology farm is under construction on the 6-hectare land parcel. Net cash outflow from financing activities was due to payment of lease liability, repayment of bank borrowings, offset by a decrease in bank deposits that was restricted for use. As a result of the above, the Group's cash and cash equivalents balance as reflected in the Statement of Cash Flows as at the end of FY2022 was \$1.01 million.

- 4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no prospect statement or forecast made previously.

- 5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore's gross domestic product grew by 3.6% in 2022. It is projected to grow at a range of between 0.5% to 2.5% in 2023. The GST rate has increased by 1% from 7% to 8% from 1 January 2023, contributing to projected core inflation in 2023 at between 3.5% to 4.5% (Source: Ministry of Trade and Industry publication dated 13 February 2023). Amidst this backdrop, the market conditions for the operations of the Group's businesses are expected to remain challenging.

Yields on vegetables grown from the temporary modular farm have been encouraging. The Group is in the process of setting up more such modules. Compared with imported vegetables, leafy greens grown from our farm reaches our customers at a much lower carbon footprint. However, costs and operational challenges remain. Prices from competitive suppliers also pose a challenge on margins.

The market conditions for the sale of leafy greens is expected to remain competitive. MEOD will continue to develop its trading sales of agricultural produce, leveraging on the knowledge gained from past experiences.

Phase 1 development of the Group's 6-hectare high-technology farm is close to completion. It comprises one greenhouse plus ancillary facilities, occupying approximately one-quarter in land area of the 6-hectare land parcel. The Group has submitted and obtained extension of the construction completion date to 30 September 2023 from the Singapore Food Agency. Commercial operations on the completed Phase 1 farm will commence once regulatory approvals have been obtained.

MEOD's 60%-owned subsidiary, M Farm Pte Ltd is in its early stage of conducting product trials on growing mushrooms. The mushrooms are grown under a controlled environment set within a typical 20-foot equivalent shipping container. It is not expected to contribute any significant impact to group results for the next 12 months.

As announced on 1 March 2022, MEOD has entered into a strategic partnership and convertible note agreement with Wholly Greens Pte Ltd ("Wholly Greens"). Wholly Greens has submitted a notice of drawdown to MEOD for \$450,000 pursuant to a profit milestone condition in the agreement. MEOD is reviewing the notice. Under the agreement, MEOD may also convert the loan principal cum interest to equity in Wholly Greens.

The Group's plan for the land development right in Kota Bahru, Kelantan, is to realise the value via a disposal. The Group is actively looking for a buyer.

The investments and operating losses have drawn on the Group's financial resources. As announced on 22 February 2023, the Company has entered into a loan facility agreement for \$2,000,000 with a controlling shareholder, B&L Group Pte Ltd.

6 Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No dividend is declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the current financial period reported on?

No dividend is declared.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

7 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared as the Group recorded net loss in FY2022.

8 Breakdown of sales as follows:

	Group		
	12 months ended 31 December		
	31/12/2022	31/12/2021	Change
	\$'000	\$'000	%
(a) Sales reported for the first half year	115	114	1
(b) Operating loss after tax before deducting minority interests reported for first half year	(1,357)	(1,265)	7
(c) Sales reported for the second half year	151	97	56
(d) Operating loss after tax before deducting minority interests reported for second half year	(3,255)	(1,998)	63

9 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ong Kai Hian	39	Son of Mr Ong Boon Chuan, Executive Director & Chief Executive Officer of the Company and controlling shareholder of the Company, and Madam Kok Lee Kuen (Spouse of Mr Ong Boon Chuan and controlling shareholder of the Company). Elder brother of Mr Ong Kai Hoe, Non-Independent & Non-Executive Director of the Company.	Appointments made in 2014 Executive Director of: - Edition Development Pte Ltd - Edition Global Pte Ltd Appointment made in 2016 Executive Director of: - Meod Pte Ltd Appointment made in 2021 Executive Director of: - M Farm Pte Ltd Duties: Oversee the operations and business development functions for the Group	N/A

- 10 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has obtained a general mandate from shareholders for interested person transactions on 23 June 2020 and has renewed the mandate on 29 April 2022. Below is the table detailing the value of the interested person transactions for the 12 months ended 31 December 2022:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	\$'000	\$'000
B&L Group Pte Ltd, a company owned by associates of Mr Ong Boon Chuan, who is the Executive Director and controlling shareholder of Edition Ltd. Scope of services: corporate services including legal, 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, who is the Executive Director and controlling shareholder of Edition Ltd. Scope of services: supply of labour for construction of greenhouse and maintenance.	356	-
Thye Chuan Engineering Construction Co Pte Ltd, a company owned by associates of Mr Ong Boon Chuan, who is the Executive Director and controlling shareholder of Edition Ltd. Scope of services: supply of concrete and materials for construction of greenhouse and maintenance.	71	-
Proapp Technology Pte Ltd, a company owned by associates of Mr Ong Boon Chuan, who is the Executive Director and controlling shareholder of Edition Ltd. Scope of services: sale of face masks.	*-	-

As at 31 December 2022, the aggregate value of the transactions entered into with the same interested person amounted to \$521,000. This amount is less than 5% of the group's latest audited net tangible assets.

* Amount less than \$1,000

Edition Ltd.

Company Registration No. 200411873E

- 11 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

- 12 Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during FY2022.

By order of the Board
Ong Boon Chuan
Executive Director and Chief Executive Officer
28 February 2023

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this 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 Audrey Mok, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone: (65) 6232 3210.